



# **2023 Report under the Norwegian Transparency Act**



# 2023 Statement of Apple AB NUF

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# 1. Introduction

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The Norwegian Transparency Act (the "**Act**") requires certain entities to report on adverse impacts on fundamental human rights and decent working conditions in their operations and supply chains, and actions being taken to address those impacts.

For the purposes of the Act, this 2023 Statement of Apple AB NUF, read in conjunction with Apple's\* United Nations Guiding Principles on Business and Human Rights 2024 Mapping of the Apple Supply Chain attached hereto as Annex 1 (the "**UNGP Mapping Report**"), comprises Apple AB NUF's 2023 Report under the Norwegian Transparency Act (the "**2023 Norway Report**"). The 2023 Norway Report is made on behalf of Apple AB NUF, for the financial year that started on 1 October 2022 and ended on 30 September 2023 ("**FY23**").

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\* The term "Apple" as used in this statement refers collectively to Apple Inc. and its subsidiaries and branches, including Apple AB NUF.



## 2. UNGP Mapping Report

The UNGP Mapping Report outlines the policies, programs, and activities (including training) that Apple undertakes to identify, mitigate, and remediate salient human rights risks in its supply chain in alignment with the United Nations Guiding Principles on Business and Human Rights. Examples of sections of the UNGP Mapping Report addressing prescribed topics under the Act are listed below.

Topic	UNGP Mapping Report
Apple's guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions	Sections 2.1-2.2, 4.1-4.4
Information regarding actual adverse impacts and significant risks of adverse impacts that Apple has identified through its due diligence	Sections 5.1-5.8
Information regarding measures Apple has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.	Sections 3.1-3.3, 5.9, 6.1-6.2



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# 3. Apple's Anti-Modern Slavery Policies and Programs

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Apple AB NUF implements Apple's global policies throughout its operations. Read more about Apple's relevant policies and programs, such as those listed below, at [apple.com/compliance](https://apple.com/compliance) and [apple.com/supply-chain](https://apple.com/supply-chain).

- [Apple's Human Rights Policy](#)
- [Apple's Business Conduct Policy](#)
- [Third-Party Code of Conduct](#)
- [Apple's Supplier Code of Conduct and Supplier Responsibility Standards](#)
- [Apple's Supplier List](#)
- [Apple's People and Environment in Our Supply Chain Report](#)
- [Apple's Conflict Minerals Report](#)



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# 4. Apple AB NUF's Business Structure and Operations

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Apple AB NUF is the Norwegian branch of Apple AB (a Swedish company), a wholly owned direct subsidiary of Apple Inc. Apple AB NUF's business is located at Fridtjof Nansens Plass 6, Oslo 0160 Norway. Apple AB NUF earns income from services provided to other Apple Inc. group companies. The average number of employees of Apple AB NUF in FY23 was 37. The scope of the Act is limited to Apple AB NUF's business operations. Apple AB NUF does not sell or produce any Apple products.



# 5. Compliance Program and Diligence Processes

**Apple AB NUF is committed to respecting fundamental human rights and has implemented a Norwegian Transparency Act Compliance Program (the “Compliance Program”). The Compliance Program covers the specific requirements set out under the Act and describes what measures Apple AB NUF implements to identify and prevent adverse impacts on fundamental human rights and working conditions in Apple AB NUF's business operations.**

Apple AB NUF conducts annual risk assessments of its own operations, suppliers, and business partners. This risk-based approach allows the Compliance Program to be proportionately tailored to the nature and context of Apple AB NUF's business operations. In line with the UNGP Mapping Report, Apple AB NUF recognizes potential inherent risk or adverse impact to fundamental human rights and decent working conditions with respect to its employees and business partners providing goods or services on site such as janitorial services, maintenance, logistics, and procurement of office furniture and equipment. Training on fundamental human rights and working conditions is included in Apple's Business Conduct Training, which applies to all Apple employees, including employees of Apple AB NUF. Apple's Business Conduct training includes training on Apple's Human

Rights Policy and Apple's process for reporting concerns, such as concerns related to human rights.

To mitigate the aforementioned potential risks, due diligence has been performed on business partners providing goods and services to Apple AB NUF based on risk level and spend. Apple AB NUF also reviewed direct supplier and vendor contracts relating to corporate procurement, based on risk and total spend, to support compliance with the Apple Supplier Code of Conduct and the related Apple Supplier Responsibility Standards that are terms and conditions of doing business with Apple. These business partners are monitored daily for regulatory and human rights issues, including decent working conditions.



# 6. Signatures

This 2023 Norway Report is signed on Jun 26, 2024.

Amund Hamre  
Amund Hamre (Jun 26, 2024 19:34 GMT+2)

**Amund Hamre**

General Manager

Peter Denwood  
Peter Denwood (Jun 26, 2024 19:20 GMT+2)

**Peter Denwood**

Director of Apple AB  
(Swedish company)

Fiona Murphy  
Fiona Murphy (Jun 26, 2024 18:13 GMT+1)

**Fiona Murphy**

Director of Apple AB  
(Swedish company)





**Annex 1**

# **United Nations Guiding Principles on Business and Human Rights**

**2024 Mapping of the Apple Supply Chain**



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**2. Human rights governance →**

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**3. Embedding respect for human rights →**

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# 1. Introduction

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**At Apple, people are at the center of everything we do and every decision we make. We're deeply committed to treating everyone with dignity and respect, and we embed respect for human rights across our business — in the products we make, the way we make them, and those we work with along the way.**

**Apple's global supply chain spans more than 50 countries and regions, with thousands of companies around the world contributing to the process of building our products and services. Our supply chain includes everything that goes into designing, manufacturing, delivering, supporting, and recycling Apple products, as well as the suppliers that support our Apple Store locations, our content and support services — including Apple One and AppleCare — and all of the other services and logistics that are part of our supply chain ecosystem.**

**This report outlines the policies, programs, and activities we undertake to identify, mitigate, and remediate salient human rights risks in our supply chain, in alignment with the United Nations Guiding Principles on Business and Human Rights ("UNGPs").**



# 2. Human rights governance

Apple is at the forefront of technology, and this same forward thinking applies to our commitments to respecting human rights and complying with applicable laws and regulations. Our corporate governance structure is designed to foster principled actions, informed and effective decision-making, and appropriate monitoring of our compliance and performance across our operations and supply chain. Responsibility for and work on these issues are embedded across our supply chain, with broad collaboration to drive forward initiatives that are important to our company.

## 2.1 Our policies and standards

Our commitment begins with setting and upholding high standards that align with robust international labor and human rights frameworks. We are dedicated to continuous improvement, consistently updating our policies and standards to raise the bar for our suppliers.

### Apple Human Rights Policy

The Apple [Human Rights Policy](#) outlines our commitment to treating everyone with dignity and respect, including our customers, employees, suppliers, and people across every level of our supply chain. The policy is based on the United Nations (“UN”) International Bill of Human Rights, the International Labour Organization’s (“ILO”) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights (“UNGPs”).

### Apple Anti-Modern Slavery Policy

Apple’s Anti-Modern Slavery Policy covers human trafficking and modern slavery, describes how employees and third parties may report violations of the policy, and

makes clear that Apple complies with applicable United States (“U.S.”) Federal Acquisition Regulations.

### Business Conduct Policy

Our [Business Conduct Policy](#) outlines the principles that guide Apple’s business practices, including honesty, respect, confidentiality, and compliance with applicable laws, regulations, and internationally recognized human rights frameworks, such as the UNGPs. These principles apply to our suppliers, contractors, and consultants when they are providing goods or services to Apple or acting on our behalf.

### Apple Supplier Code of Conduct and Supplier Responsibility Standards

In 2005, the [Apple Supplier Code of Conduct \(“Code”\) and Supplier Responsibility Standards \(“Standards”\)](#) were developed to communicate our requirements for suppliers in the areas of labor and human rights, health and safety, the environment, ethics, and management systems. The Code and Standards align with internationally recognized rights and standards, including the UN International Bill of Human Rights, the ILO’s Declaration

on Fundamental Principles and Rights at Work, the UNGPs, the Organisation for Economic Co-operation and Development (“OECD”) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (“OECD Due Diligence Guidance”), and the Responsible Business Alliance (“RBA”) Code of Conduct, as well as standards from other industry-leading health and safety organizations. The protections they provide apply equally to all workers, regardless of a person’s job, their geographic location, or how they were hired.

The Standards supplement our Code and explain in detail the actions our suppliers must take to maintain compliance with the Code. They include broad coverage of human rights topics, including anti-discrimination and abuse, prevention of forced and underage labor, juvenile worker protections and education programs, working hours management, wages, benefits, contracts, compliance with all laws regarding freedom of association and collective bargaining, and the responsible sourcing of materials. Our Code and Standards also require our suppliers to take extensive measures to reduce their environmental impact and resource consumption, because environmental rights are also human rights.

We evaluate and update our Code and Standards regularly, incorporating feedback from rights-holders and other stakeholders to reflect emerging risks, legal developments, industry best practices, and the evolving needs of workers in a dynamic operating environment.

Suppliers are required to operate in accordance with our Code and Standards and in compliance with all applicable laws and regulations. They must also apply our requirements to their subcontractors, sub-tier suppliers, and third-party employment agencies (“TPEAs”) throughout all levels of our supply chain. If a supplier is unwilling or unable to meet our requirements, they risk removal from Apple’s supply chain. Since 2009, we have directed the removal of 25 manufacturing facilities and 231 smelters and refiners from our supply chain.

### Third-Party Code of Conduct

Apple’s [Third-Party Code of Conduct \(“Third-Party Code”\)](#) sets out the legal and ethical standards required of businesses that associate themselves with our brand, including distributors, resellers, service providers, carriers, and any other third party not covered by our Supplier Code of Conduct. The Third-Party Code includes requirements



around human rights, including that third parties associated with Apple ensure their workplaces are fair and ethical and that all workers are treated with respect and dignity.

## 2.2 Management and oversight of Apple's human rights commitments

Apple's Board of Directors ("Board") oversees the Chief Executive Officer ("CEO") and other senior management in the competent and ethical operation of the company, including supply chain matters. Our Board adopted the Apple Human Rights Policy and is responsible for overseeing and periodically reviewing it, while Apple's Senior Vice President and General Counsel is responsible for its ongoing implementation, reporting to the Board and its committees on our progress and significant issues. Additionally, a number of internal teams — including Environment and Supply Chain Innovation ("ESCI"); Global Security; Compliance and Business Conduct; Legal; Finance; Product Design; Procurement; Manufacturing Operations; Environment, Policy, and Social Initiatives ("EPSI"); Retail; AppleCare; and Services — work collaboratively and consult with Apple's senior leadership to review progress and update ongoing strategies to reflect real-time updates to human rights standards.

Cross-functional teams across Apple are responsible for carrying out risk-based human rights, environmental, legal, and regulatory due diligence in our supply chain, including but not limited to: Legal, Global Security, Compliance and Business Conduct, and ESCI. The ESCI team, part of Apple's Worldwide Operations organization, coordinates compliance actions related to human rights across Apple's supply chain, in line with our Code and Standards. Apple's Compliance and Business Conduct organization monitors suppliers and other entities for human rights and environmental concerns. Our Chief Compliance Officer ("CCO") provides regular updates to the Audit and Finance Committee of the Board.

The People and Compensation Committee of the Board also includes a modifier based on Apple's values and key community initiatives in the annual cash incentive program for our executives, reflecting Apple's commitment to promoting values-driven leadership.



# 3. Embedding respect for human rights

Our work to support the people in our supply chain begins before we start building products. We directly engage with our suppliers and their employees on an ongoing basis to ensure people feel safe on the job, are aware of their rights and how to speak up if they're not being respected, and have opportunities for personal and professional development. By embedding respect for human rights throughout our supply chain, we proactively mitigate risks and identify opportunities to improve the workplace experience.

## 3.1 The Apple Supplier Employee Development Fund

In 2022, we announced a \$50 million Supplier Employee Development Fund ("SEDF") to further invest in the people in our supply chain, expanding on over 15 years of work to strengthen and scale worker rights-awareness training, amplify worker voice, and expand learning and skill development opportunities.

Part of this commitment includes supporting new and expanded labor and human rights programs that will reach more than 3.5 million supplier employees in over 40 countries and regions, aided by strategic partners, including the International Labour Organization ("ILO") and International Organization for Migration ("IOM").

As part of SEDF, we work alongside our program partners to develop and scale worker rights training and tools, expand worker voice and grievance channels to promote more effective communication between management and employees, and drive respect for fundamental labor rights across the industry. We are also investing in new partnerships to drive additional improvements to the workplace experience and rights protections across our

supply chain. As of 2023, more than 4.6 million SEDF education and training sessions have been delivered.

## 3.2 Communicating our commitments to stakeholders

We regularly review and communicate our policies and requirements to our employees, suppliers, and other third parties.

### Communicating to Apple employees

We provide Apple employees with resources to make them aware of the ways that respect for human rights should inform their decisions and actions. All employees are required to complete mandatory annual Business Conduct training, which covers topics such as workplace behaviors, conflicts of interest, gifts, confidentiality, anti-corruption, competition, privacy, and Apple's Human Rights Policy. Each year, as part of our Business Conduct Policy and associated training, Apple employees are provided with information on our Supplier Code of Conduct ("Code") and Supplier Responsibility Standards ("Standards") and Apple's process for reporting concerns. Through our policies and trainings, employees

are informed that they have a responsibility to report anything that might be considered a violation of any law or Apple policy, including those related to human rights.

### Communicating to suppliers

Our Code and Standards are updated annually, published on our website, and communicated in 18 languages to our suppliers via SupplierCare, our digital supplier communication platform.

Before we engage with a new supplier, we take extensive measures to improve their awareness of our Code and Standards by providing guidance from Apple experts in the areas of responsible labor recruitment, labor and human rights policies and procedures, and worker grievance system requirements.

We also provide existing supplier teams with ongoing training and capability building focused on the best practices needed to meet our high standards. This includes virtual learning materials distributed on SupplierCare and access to Apple subject matter experts ("SMEs") who share their knowledge and Apple's tools through tailored coaching.

### Communicating to stakeholders

Transparency around the risks and opportunities in our supply chain and how we are addressing those risks and opportunities is necessary to evaluate our progress, enable consistent improvement, and hold ourselves and our suppliers accountable at every step.

We publish a number of resources outlining our commitment to respect human rights and provide transparency on our efforts through our [public website](#), including our Human Rights Policy and Code and Standards. Our website also features an annual [Progress Report](#) detailing our suppliers' performance in meeting our requirements and [a list of our suppliers](#) representing at least 98 percent of our direct spend for materials, manufacturing, and assembly of products worldwide.

As part of our responsible materials sourcing efforts, we also publish a [Smelter and Refiner List](#), which includes identified smelters and refiners of tin, tantalum, tungsten, gold ("3TG"), lithium, and cobalt in our supply chain, and our [Conflict Minerals Report](#), which describes our work to responsibly source materials such as 3TG, lithium, and cobalt from the Democratic



Republic of the Congo (“DRC”) and adjoining countries, in line with United States (“U.S.”) Securities and Exchange Commission (“SEC”) requirements.

### **3.3 Worker rights awareness**

We require all suppliers to train their employees on their rights, whether they were hired directly by one of our suppliers or through other channels, such as a labor agency. The training must cover labor laws; environment, health, and safety (“EHS”) standards; the prevention of forced labor; how to access grievance mechanisms; and all other labor and human rights protections required by our Code and Standards. Since 2008, more than 28 million people have been trained by our suppliers on their workplace rights.

Through SEDF, we are developing and scaling new and existing tools to help our suppliers more effectively train their employees on their rights. This includes utilizing educational technology platforms to deliver trainings to workers, managers, and labor agents on workplace rights and responsibilities. These tools allow for more direct engagement with rights-holders through learning apps available on their mobile devices, along with access to real-time data and insights to proactively prevent and address risks. The platforms also test knowledge comprehension and help suppliers identify topic areas where additional information or support may be needed. Together, these tools have reached more than 700,000 people in 12 countries and regions since their inception.





# How we safeguard our assessment process

## Our assessments are conducted globally.

- Apple Code of Conduct assessments, including surprise assessments, are conducted globally. Since 2007, our assessments have covered approximately 94 percent of Apple's direct manufacturing spend. In 2023, we conducted independent, third-party assessments in more than 50 countries and regions.
- We publish and annually update our Supplier List, which covers at least 98 percent of our direct spend for materials, manufacturing, and assembly of our products worldwide.
- As required by our Code and Standards, suppliers cannot have operations in, recruit labor directly or indirectly from, or source materials, products, or services directly or indirectly from regions where Apple and third parties cannot access and conduct a comprehensive, independent evaluation of the supplier's compliance with our Code and Standards.

## We maintain robust safeguards against assessment interference.

- All assessments globally are conducted by independent, third-party auditing firms that are accredited to meet international auditing standards. Many of the firms that conduct our assessments are also those certified to meet the standards of the Responsible Business Alliance. Apple employees are also often present for assessments to verify that our protocol is followed.

- We prohibit interference of any kind in our assessment process and require that interviews conducted as part of assessments take place in confidential places with no managers or cameras present. Apple partners with auditing firms that provide local auditors with native language capability so that no language barrier exists between the supplier employee being interviewed and the auditor.
- Retaliation in any form is a Core Violation<sup>1</sup> of our Code, and last year, more than 35,000 follow-up phone calls were made to verify that supplier employees who participated in interviews did not experience retaliation as a result of their participation.
- In 2023, auditors did not report any experiences of interference from supplier management, local officials, or any other entities.
- We provide anonymous hotlines where supplier employees can contact Apple directly, accessible at any time and in any language, should they experience retaliation or have any other concern about their workplace experience.
- In 2021, we launched a third-party grievance hotline awareness campaign. In 2023, the campaign reached more than 830,000 supplier employees.

## We investigate the reports we receive.

- In addition to thoroughly assessing our suppliers' performance in upholding our standards, we also receive reports from the press, governments, civil society, and people in our supply chain, and we encourage the public to report concerns via [our public website](#). We investigate the reports we receive and frequently have Apple teams onsite within 24–48 hours.

## We consistently raise the bar.

- We regularly revisit all of our supplier requirements, consistently raising the bar that suppliers must meet in order to continue doing business with us, and share the updates publicly.





# 4. Identifying salient human rights risks

We take a strategic, comprehensive approach to identifying and managing salient human rights risks in our supply chain, in line with the Business and Human Rights Due Diligence process set forth in the United Nations Guiding Principles on Business and Human Rights (“UNGPs”). This includes our robust assessment processes, risk mapping, and participation in industry-level, third-party assessments. We also leverage predictive analytics, years of audit data, reports and guidance from internal and external experts, and feedback from third-party hotlines, surveys, and supplier employees to identify potential issues. By focusing on suppliers that cover the largest portion of our direct manufacturing spend, as well as those that are higher-risk, as identified by the activities mentioned above, we are maximizing the impact of our risk identification and prevention efforts.

## 4.1 Mapping human rights risks

We have been mapping and managing salient human rights risks in our supply chain for many years, and we continue to work with third parties, such as The Remedy Project, to deepen our understanding of how Apple’s management policies and practices align with the UNGPs, particularly related to identifying, preventing, mitigating, and remediating human rights risks and impacts. The findings from these engagements help guide continued improvements to our policies and human rights due diligence processes.

## 4.2 Supplier engagement and assessments

We begin engaging with prospective suppliers before we award business, identifying and mitigating critical risks before a new supplier enters our supply chain. We continue assessing suppliers’ performance throughout the entirety of our business relationship with them.

### Early engagement and due diligence

When considering a new supplier, we first work to understand how they do business and the standards they have in place, including their ability to meet our strict requirements for labor and human rights.

We perform due diligence on prospective suppliers and new facilities belonging to existing suppliers to check for potential human rights, environmental, or other violations. This includes conducting an independent, third-party assessment on prospective suppliers through a leading compliance management platform. Our global due diligence and monitoring programs are risk-based and cover regulatory, legal, and reputational risks. Significant issues found during the due diligence process are reviewed and remediated should we decide to award business.

#### • Pre-Facility Readiness Assessments

The Pre-Facility Readiness Assessment (“PFRA”) is a top-to-bottom assessment of prospective suppliers conducted by third-party auditors to capture a baseline

view of how they conduct their operations. Each PFRA reviews and validates prospective suppliers’ performance on hundreds of environment, health, and safety (“EHS”) and labor and human rights requirements through document reviews, site inspections, and worker interviews, looking for any major issues that might preclude us from doing business with them. When we find remediable risks, we work with the prospective supplier to correct them before entering into business with them.

In 2023, we conducted 70 PFRAs, mitigating EHS risks such as permit requirements, wastewater management, emergency exit equipment, and fire and machine safety, and LHR risks such as working hours, wages, benefits, grievance systems, and employment agency management — all before new suppliers entered our supply chain. Since 2020, 11 percent of assessed prospective suppliers have been prevented from entering our supply chain for being unable or unwilling to meet the requirements of our Supplier Code of Conduct (“Code”) and Supplier Responsibility Standards (“Standards”).

In an effort to drive improvement across the industry, we extend our support to help prospective suppliers correct issues found during the procurement process, even if the supplier isn’t ultimately awarded Apple business. Participation is voluntary, and the program is offered at no cost. Since 2020, more than 56 percent of companies that were not awarded Apple business have opted to participate, helping reduce risks beyond our own supply chain.

#### • Facility Readiness Assessments

After a supplier is awarded business with Apple, we conduct independent, third-party Facility Readiness Assessments (“FRAs”) of every facility it brings online for Apple production to confirm compliance with our Code and Standards. FRAs identify labor and human rights, EHS, management, and ethics risks related to areas such as chemical management, machine safety, waste management, emergency preparedness and response, and occupational health and safety management prior to mass production beginning.



We follow suppliers through the preproduction phase as they ramp up production to confirm they are meeting our standards and requirements, paying special attention to those that posed — and then corrected — risks during the responsible procurement process.

• **Onboarding Review and ramp monitoring**

We strengthen new suppliers’ awareness of Apple’s Code and Standards via the Onboarding Review (“OBR”) process, which provides guidance from Apple experts to enhance suppliers’ ability to meet legal and Apple requirements before and after mass production begins. OBR also includes educating Apple employees that interact with suppliers on the requirements of our Code and Standards — and how their suppliers are performing in upholding them — in order to facilitate more informed decision-making across the company.

As suppliers prepare to ramp up production, we also monitor labor hiring plans, the establishment of labor and human rights policies and procedures, employee training, and implementation of grievance systems. In 2023, we monitored more than 50 priority supplier facilities as they ramped up production. This included 118 focused audits, 267 onsite visits, and over 12,000 worker interviews. We also collect worker feedback via anonymous surveys during the ramp period to identify compliance and operational risks, surveying more than 130,000 workers in 2023.

As a result of these activities, more than 500 improvements were made related to topics including signing bonuses, third-party employment agency (“TPEA”) hiring, wages, and dormitory and dining conditions.

**Code of Conduct assessments**

Our Code of Conduct assessments help us identify risks and gaps in compliance with our Code and Standards, including salient human rights risks. Since 2007, our assessments have covered approximately 94 percent of our direct manufacturing spend. Apple selects suppliers for these assessments based on a number of factors, including geographic location, materials and processes,

previous assessment performance, planned spending, and worker demographics, such as the employment of Foreign Contract Workers, people who travel between countries to work.

Code of Conduct assessments are conducted by independent, third-party auditing firms that are accredited to meet international auditing standards. Many of the firms that conduct our assessments are also certified to meet the standards of the [Responsible Business Alliance](#) (“RBA”). We prohibit suppliers from having manufacturing operations in, recruiting labor from, or sourcing materials, products, or services from regions where Apple and third parties cannot access or conduct comprehensive, independent evaluations of supplier compliance with our Code and Standards.

Assessments include a thorough review of supplier operations — from workplace conditions to hiring practices and many other criteria — via worker and management interviews, site walk-throughs, and detailed reviews of documentation such as employee records, payroll information, contracts, and policies. Apple employees frequently attend assessments to verify that our protocol is being followed and the auditor does not experience interference.

In the 2023 reporting period, 893 independent, third-party assessments that focused on the requirements of our Code and Standards were conducted.

**Unannounced assessments and investigations**

Every year, as part of our assessment program, we conduct unannounced assessments and visits, including to investigate supplier employees’ concerns and verify risks identified through predictive analytics. We may also conduct an unannounced investigation to confirm the necessary changes have been made following the discovery of Code violations. In 2023, 203 unannounced assessments — where the supplier facility was given zero advance notice of our arrival — were conducted globally.

**Renewable energy audits**

We require suppliers to set renewable energy use targets and make progress aligned with Apple’s 2030 carbon neutrality goal. As part of our Code of Conduct assessment process, we validate the electricity usage reported by suppliers, their methodology for calculating their Apple production footprint, and all renewable energy procurement documentation. In 2023, we conducted 94 such audits in six countries and regions.

**Zero Waste verification audits**

We work with UL (“Underwriters Laboratories”), the certifying body behind the Zero Waste certification, to implement Zero Waste standards across our supply chain. Last year, we introduced a new type of assessment to verify suppliers’ compliance with the Zero Waste framework, including through the validation of self-reported waste data. We piloted this assessment during renewable energy audits we conducted at 10 supplier sites in four countries and regions, and we plan to expand further in 2024.

**Recycler audits**

We verify our recyclers’ compliance with our Code and Standards through independent, third-party assessments, assessing 98 recycler sites in 2023. All of our recyclers in North America are certified by either e-Stewards® or R2, the electronics industry’s leading certifications for assessing the environmental, worker health, and security practices of entities managing used electronics.

**Issue-focused audits**

In addition to our annual Code of Conduct assessments, our suppliers, their labor agencies, and other entities in our supply chain may receive supplemental audits focused on one or more specific issues based on their individual salient risk profile. In 2023, 153 issue-focused audits were conducted, including those focused on working hours compliance, hiring practices, labor agency management, and specific health and safety issues.

**Materials audits**

While Apple does not directly purchase, procure, or source primary minerals, we maintain strict standards for the responsible sourcing of the materials that end up in our products, whether primary or recycled. In 2023, 100 percent of the identified tin, tantalum, tungsten, gold (“3TG”), cobalt, and lithium smelters, refiners, and manufacturers in our supply chain participated in third-party assessments to verify compliance with our standards and aid in identifying social, environmental, human rights, and governance risks deeper in our supply chain, aligned with the Organisation for Economic Co-operation and Development (“OECD”) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (“OECD Due Diligence Guidance”) 5-Step Framework. This marks nine consecutive years of 100 percent compliance for 3TG, eight consecutive years for cobalt, and four consecutive years for lithium.

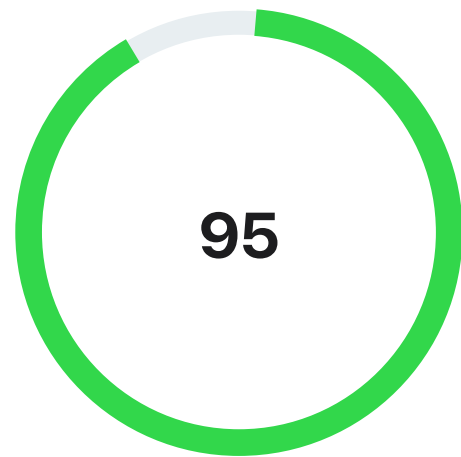
*Learn more about smelters, refiners, and manufacturers of primary materials on [page 18](#).*

**Third-party industry assessments**

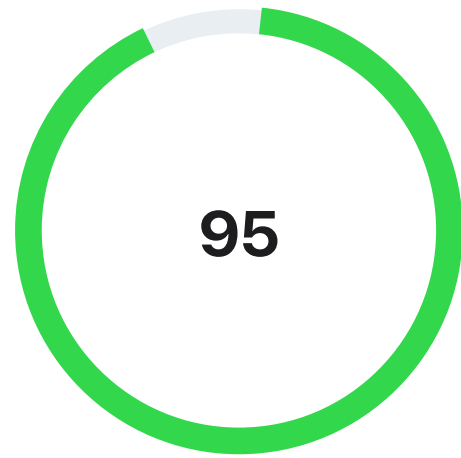
In addition to assessments of our own production lines and capability-building efforts conducted by third-party auditors, we require many of our suppliers to also undergo the RBA’s Validated Assessment Program (“VAP”), a facility-wide, third-party assessment widely used by the industry. VAP assessments evaluate a facility’s operations, including — but also beyond — Apple production lines. This combined effort works to prevent violations of our Code and Standards beyond our own supply chain. Last year, a total of 100 VAP assessments were completed at Apple supplier sites.



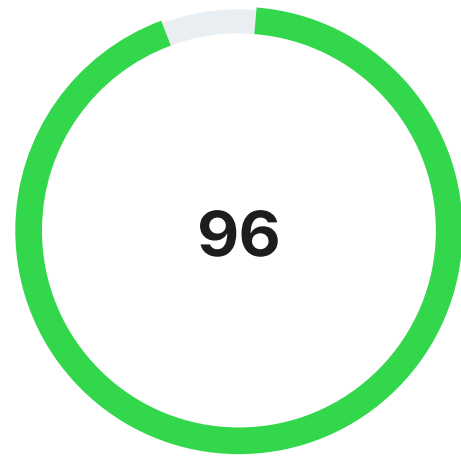
Our supply chain's average performance on Code of Conduct assessments in 2023, by evaluation category



Labor and human rights

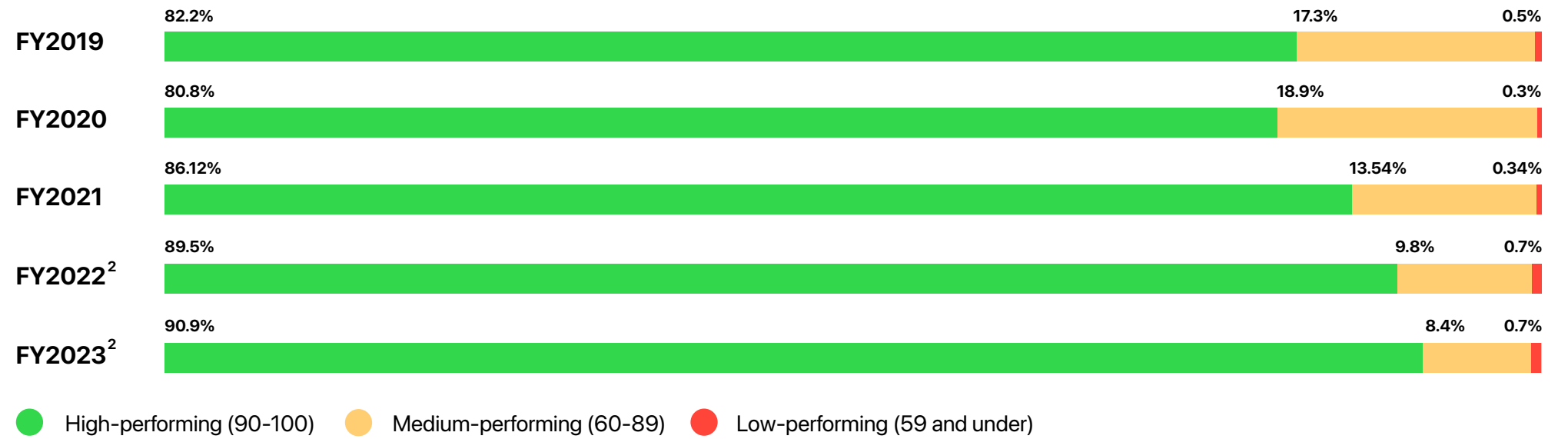


Health and safety

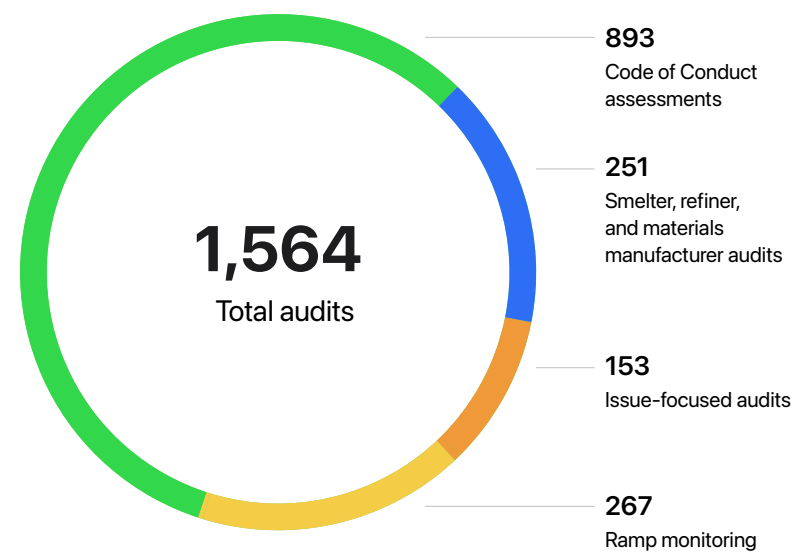


Environment

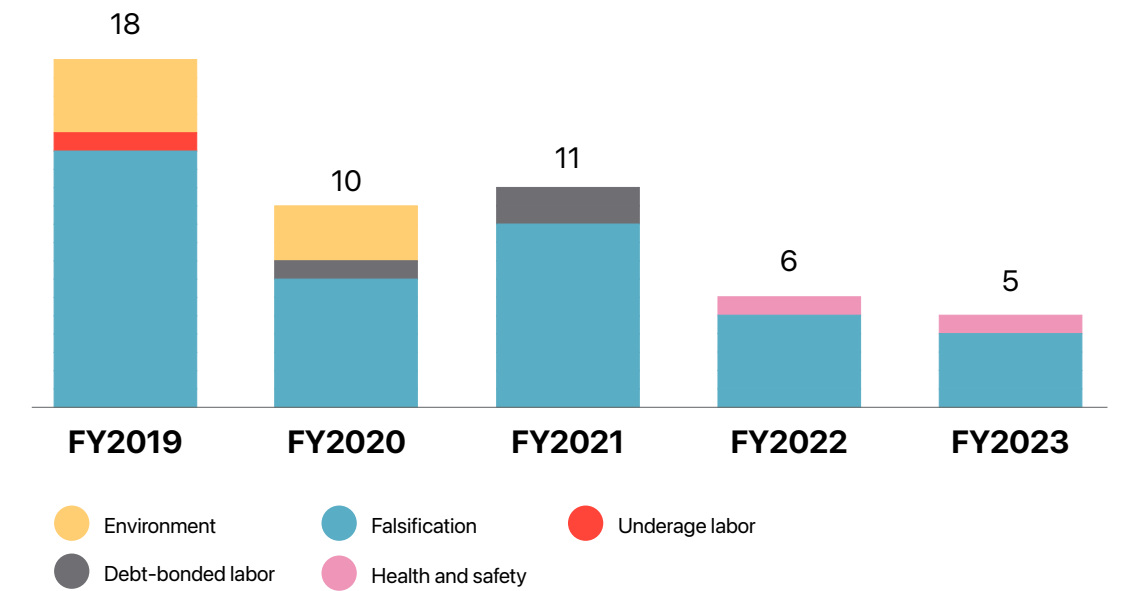
Year-over-year Code of Conduct assessment performance



Audits in our supply chain in 2023



Core Violations over time



Of the five Core Violations discovered in 2023, four were falsification violations resulting from improperly reported working hours data, and one was a health and safety violation related to machine safety practices that did not meet our standards.





### 4.3 Engagement with rights-holders

We directly engage with rights-holders through anonymous interviews, workplace satisfaction surveys, and the grievance channels we and our suppliers maintain. We recently established a new requirement in our Code whereby our suppliers must implement systems to collect feedback from and identify the needs of their employees, including in relation to wages and benefits, workplace conditions, healthcare, employee relations, living conditions, health and safety, the environment, and education and training. Suppliers are also required to take appropriate action to respond to employee feedback and communicate regularly on the progress of actions taken.

#### Worker voice

We maintain a worker voice dashboard, which is a central repository for monitoring worker sentiment collected through various internal and external channels, in order to identify emerging risks and drive remediation of issues before they escalate. In 2023, we conducted weekly monitoring at more than 50 priority supplier sites through the dashboard's channels, which include social media, internal grievance channels at supplier sites, worker interviews, worker surveys, and third-party hotlines. Through the worker voice dashboard, more than 400 opportunities for improvement were raised and successfully addressed in 2023, including maintenance for employee dormitories, dining experiences, employee communication, and bonus payment and timing.

#### Worker interviews

Each year, as part of our supplier assessment process, tens of thousands of anonymous interviews are conducted with supplier employees about their workplace experience. Participation in interviews is voluntary and confidential, and employees are selected randomly through a sampling methodology that seeks broad representation across the employee population. The interviews are conducted by independent, third-party auditing firms in the employee's native language and without management or cameras present. In 2023, we interviewed more than 65,000 people as part of supplier assessments.

We follow up with interviewees who are willing to be contacted to confirm they have not experienced any retaliation as a result of their participation. Last year, more than 35,000 follow-up phone calls were made to verify that workers who participated in interviews did not experience retaliation. All interviewed employees are also provided with ways to contact anonymous third-party hotlines in case they experience retaliation or have an issue to report at a later time.

*Learn more in "How we safeguard our assessment process" on [page 8](#).*

#### Worker satisfaction surveys

We also engage with supplier employees through anonymous surveys to understand their overall workplace satisfaction and help identify and mitigate workplace issues. In 2023, we surveyed more than 516,000 employees at more than 300 facilities across Brazil, Canada, China mainland, Colombia, India, Indonesia, Italy, Japan, Malaysia, Mexico, Nicaragua, the Philippines, Poland, Portugal, Singapore, South Korea, Spain, Taiwan, Thailand, the United Kingdom ("UK"), the United States ("U.S."), and Vietnam about their workplace experience.

Survey feedback allows us to better identify and manage potential labor and human rights risks throughout our global supply chain by working with suppliers to analyze the results and develop action plans to address employees' needs and concerns. We also use this feedback to address emerging risks, investigate issues promptly, improve rights training for supplier employees and management, and continually strengthen our Code and Standards.

For instance, in the 2022 fiscal year ("FY2022"), worker satisfaction ratings at one of our supplier sites were in the bottom 10 percent of all participating sites' scores that year. In response, we worked with supplier management to identify specific opportunities to improve the workplace experience, implementing more than 60 changes based on survey data, including increasing worker feedback opportunities, increasing base wage outside of ramp periods, offering mental health training

and resources, optimizing the use of air conditioners, and upgrading dining facilities. These changes have already had a significant impact on worker satisfaction, which, according to FY2023 employee survey results, has increased by 16 percent, representing an above-average score among participating facilities.

#### Grievance reports

In addition to consistently and proactively monitoring for supply chain risks, we also review reports from civil society organizations, news outlets, people in our supply chain, supply chain communities, local whistleblower mechanisms, and third-party hotlines. Reports of potential issues also come through the anonymous grievance mechanisms we make available to all supply chain workers, Apple employees, and the general public, including EthicsPoint, our [external helpline](#); our [public website](#); and the ability to contact the Apple Environment and Supply Chain Innovation ("ESCI") team directly at any time and in any language. If a concern is raised through any communication channel or grievance mechanism, we investigate promptly, with Apple compliance experts typically onsite within 24–48 hours.

In 2021, we launched a third-party grievance hotline awareness campaign, which included the distribution of information cards and flyers, as well as videos, onsite information booths, and posters displayed around participating facilities. In 2023, we continued to promote our hotlines, expanding our reach from 20 to 35 supplier sites covering 830,000 workers.

Last year, we received 175 grievance reports, with the most frequently reported topics including delayed or missing signing or performance bonuses, issues with approval of employee vacation or leave, and concerns about dormitory room capacity. These concerns were quickly addressed and resolved with supplier management, and management systems were enhanced to prevent reoccurrence.

For example:

- We verified that due bonus payments were distributed to affected workers.
- Suppliers were required to review and retrain management on their vacation and leave policies.
- Suppliers reduced the maximum occupancy in employee dormitories.

We also reviewed these cases with other suppliers in the region to prevent individual issues from escalating into broader risks.

*Learn more in "Accountability and remedy" on [page 21](#).*

Apple's [Global Whistleblowing Policy](#), which applies to all current and former employees, directors, and officers, as well as contractors and subcontractors of Apple and its subsidiaries, defines our approach to protecting individuals who report potential misconduct. The policy, as well as Apple's [external compliance website](#), provides detailed information on how both employees and third parties can report potential concerns related to our business or supply chain. Employees are expected and encouraged to raise concerns internally and externally about violations of Apple's Business Conduct Policy, other Apple policies, and legal and regulatory requirements.

#### Advancing employee-management communication

We work with our suppliers to improve employee-management communication, especially for smaller or newer facilities that are still working to develop their infrastructure. Our ongoing partnership with the International Labour Organization's ("ILO") Sustaining Competitive and Responsible Enterprises ("SCORE") Academy, a program supporting decent work in global supply chains, engages supplier employees directly in decision-making and facilitates greater dialogue and problem-solving among employees and their managers.

The SCORE Academy allows supplier management to collaborate with employees and their selected



representatives on solutions for workplace issues, including those related to health and safety, productivity, and harassment prevention. All SCORE-enrolled facilities have established Enterprise Improvement Teams that include management and employee representatives. These teams meet regularly to discuss suggestions from employees, and more than 3,300 actions have been taken to date. For suppliers that need additional support, Apple also provides expert resources, offering guidance for management and regular facility visits to monitor progress.

#### **4.4 Stakeholder engagement**

We also identify and address salient risks through consultations with human rights, labor, and environmental experts; expert groups we convene on specialized and emerging human rights topics; United Nations (“UN”) and government labor and human rights reporting and consultations; discussions with supplier management teams; and reports received from our partners and the public around the world.



# 5. Managing salient human rights risks

Based on information we gather as part of supplier assessments, due diligence deeper in our supply chain, direct engagement with rights-holders, and work within our industry, we have identified and continually work to mitigate the following salient risks in our supply chain.

## 5.1 Forced labor

Apple does not tolerate any form of forced labor. We have not discovered any instances where people were forced to work in our supply chain last year, but this risk remains present in a supply chain of Apple’s size and complexity.

Foreign Contract Workers — people who travel between countries to work — are a key consideration in our supply chain, because while they make up only approximately one percent of the people in our supply chain, they face a higher risk of forced labor.

Our comprehensive approach to preventing forced labor begins before we start working with a supplier and helps confirm that people’s rights are respected throughout the entirety of their employment journey.

### Standards and policies for the prevention of forced labor

Apple’s policies strictly prohibit human trafficking and the use of forced labor in our business and supply chain. Apple’s Anti-Modern Slavery Policy explicitly defines human trafficking and modern slavery, describes how employees and third parties may report violations related to the policy, and makes clear that Apple complies with applicable United States (“U.S.”) Federal Acquisition Regulations.

Our Supplier Code of Conduct (“Code”) and Supplier Responsibility Standards (“Standards”) detail our

anti-modern slavery-related requirements for suppliers, collectively known as our “Prevention of Modern Slavery Standards.” These include provisions related to the prevention of involuntary labor, third-party employment agencies (“TPEAs”), and protections for Foreign Contract Workers. They apply to all suppliers, including the labor agencies that our suppliers contract to recruit workers.

Last year, we introduced a new requirement to our Code and Standards to further protect supplier employees’ freedom of movement. The new requirement prohibits the use of tracking devices for workers, other than those specifically used to monitor workplace health and safety or devices such as badges that are used only for security access or clock-in.

*Learn more in “How we prevent forced labor in our supply chain” on [page 25](#).*

### Labor recruitment mapping

Mapping our supply chain is a critical step in a robust due diligence process that helps us better understand the recruitment channels through which workers enter our supply chain and the potential human rights risks they face throughout their recruitment and employment.

In 2018, we mapped the primary and higher-risk migration corridors using our own data and publicly available information from the International Labour Organization (“ILO”) and U.S. State Department. Foreign Contract

Workers cross international and regional borders to work, interfacing with several different supply chain actors and organizations along the way. This can make them vulnerable to human rights risks such as forced labor, which is why it’s critical for us to understand and be able to trace the different entities they engage with throughout their recruitment journey.

In 2020, we expanded this work by conducting extensive mapping of the labor agencies in our supply chain. We then built upon our labor agency mapping work to further understand all recruitment channels within our supply chain, regardless of whether suppliers recruit domestic labor or Foreign Contract Workers. Prospective suppliers are also required to complete labor agency mapping as part of our supplier selection due diligence and business award process. Since 2020, we’ve mapped more than 2,100 labor agencies supporting more than 1,400 facilities in 40 countries and regions.

As an example, our labor recruitment mapping identified particular risks for Foreign Contract Workers being recruited in Myanmar for manufacturing jobs in Thailand. To address the identified risks, we directly engaged with suppliers in Thailand employing workers from Myanmar to monitor their recruitment processes and provide customized training on our responsible recruitment tools.

### Recruitment due diligence tools and resources

To effectively support workers throughout their recruitment journey, we provide knowledge to every person that is part of this ecosystem, including our suppliers and their labor agents, on our high standards — which go beyond compliance with local laws in certain countries and regions — so that they can take an active role in safeguarding labor and human rights during hiring.

To help with this, we worked with the International Organization for Migration (“IOM”) to develop the Apple Responsible Labor Recruitment Due Diligence Toolkit (“Recruitment Toolkit”). The Recruitment Toolkit offers easy-to-use tools that facilitate the effective management and reporting of recruitment data, which helps mitigate forced labor risks prior to hiring.

We require all suppliers engaged in the procurement process to be trained on our Recruitment Toolkit, enabling them to conduct self-assessments, risk assessments of their labor agencies, and evaluations of their processes for worker interviews and grievance management, aligned with international frameworks such as the ILO Indicators of Forced Labor and the Organisation for Economic Co-operation and Development (“OECD”) Due Diligence Guidance for Responsible Business Conduct. This training is completed before a supplier begins mass production for Apple.





We've expanded the Recruitment Toolkit to help suppliers identify and standardize the risk management process for all worker profiles and employment relationships, including educational institutions and subcontracted workers.

We also require labor agencies to use these tools, such as a self-assessment checklist and Corrective Action Plan ("CAP") template, to conduct due diligence.

### Training and capability building

We take a data-driven approach to prioritize capability building for suppliers on responsible labor recruitment. We use the data we collect as part of our supply chain mapping to deliver training and capability building that are customized based on the specific risks and needs of individual suppliers and labor agencies. In 2023, we delivered more than 85 Recruitment Toolkit training sessions in six languages to over 100 supplier facilities. We also trained more than 228 labor agents working for over 90 labor agencies in the Philippines, India, Thailand, and China mainland. These trainings reached facilities employing more than 1.1 million workers and managers globally, including many people who do not work directly on Apple business, furthering the reach of this effort.

We require our suppliers to provide employees with training on their workplace rights as they pertain to forced labor, and through our Supplier Employee Development Fund ("SEDF"), we're investing in programs that improve the rights-training experience and worker voice platforms.

*Learn more in "Worker rights awareness" on [page 7](#).*

We also updated our Code and Standards to require pre-departure, regular, and refresher trainings for Foreign Contract Workers to help them understand their rights, including fees and expenses related to recruitment and ongoing employment, relevant laws and regulations, and other protections provided under our Code and Standards. In addition, we've updated our Code and Standards to require TPEAs in our supply chain to conduct due diligence to understand and verify that the onboarding experience and processes for workers they employ meet Apple's standards.

### Assessing supplier performance in preventing forced labor

We require independent, third-party assessments to verify that no one is forced to work and that people's rights are respected throughout their employment — regardless of their job, their geographic location, or how they were hired. Looking for evidence of forced labor is part of every assessment we conduct, and higher-risk suppliers, such as those that employ Foreign Contract Workers or are located in migration corridors, may receive additional specialized audits. In 2023, across 893 assessments against our Code and Standards, we found no instances where people were forced to work in our supply chain.

### Debt-bonded labor

Apple has no tolerance for debt-bonded labor, including the payment of recruitment fees by workers, the withholding of an employee's personal identity or travel documents, and restrictions on an employee's freedom of movement.

We were among the first companies to align with international best practices for preventing debt-bonded labor by prohibiting our suppliers from charging workers any fees connected to their recruitment or employment — even if such fees are legal in the supplier's operating country or the worker's home country, and we continue to help lead the industry in implementing this practice.

We look for evidence of debt-bonded labor in every supplier assessment we conduct, including through detailed employment record reviews and private interviews with suppliers, their labor agencies, and employees in their native languages. If we suspect debt-bonded labor at a supplier or labor agency, we conduct targeted investigations into their hiring processes, and if we discover that any worker has paid recruitment fees to an Apple supplier or labor agency at any point during their employment journey, we require our suppliers to promptly repay them. We then verify full and timely repayment through an independent, third-party auditor.

Foreign Contract Workers face a higher risk of being charged recruitment fees in the process of securing a job.

For this reason, we carry out additional focused audits at facilities where Foreign Contract Workers are employed to verify that no fees were paid at any point during their recruitment process. In 2023, 42 focused audits and investigations looking for evidence of debt-bonded labor at facilities employing Foreign Contract Workers were conducted in six countries and regions. Each focused audit includes verification of documents from suppliers and their labor agents, as well as interviews with labor agents and Foreign Contract Workers.

### 5.2 Discrimination

Apple's extensive global supply chain includes workers from over 50 different countries and regions and is made up of people from many different races, ethnicities, religious affiliations, sexual orientations, gender identities, and more. With such a diverse supply chain, we take extensive measures to prevent discrimination in all its forms.

Our Code and Standards prohibit discrimination in hiring and other employment practices against any employee based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, caste, sexual orientation, gender identity, union membership, or any other status protected by applicable national or local law. We require all suppliers to train their employees on their rights, including as they pertain to anti-discrimination.

Discrimination can show up in many forms, including in job postings, hiring practices, management practices, and the accessibility of workplaces. Our supplier assessment protocol specifically looks for evidence of discriminatory practices, and if found, suppliers are required to promptly remediate the findings, taking action to prevent the issue from happening again.

We also take action to make our supply chain more inclusive. In 2022, we introduced a Vocational Education for Persons with Disabilities program in China mainland to improve safety, accessibility, and inclusion for people who may have challenges working in standard facility conditions. The program provides employment opportunities and workplace training to people with

disabilities. Peers of program participants also receive inclusion training to help them support their coworkers, and industrial engineers at participating facilities are taught how to design systems and layouts that create a more welcoming, comfortable workplace. Several thousand supplier employees have benefited from the program since its launch.

### 5.3 Underage labor

There have been no discovered cases of underage labor at any of our supplier sites in the last four years. However, for a large and diverse global supply chain such as ours, this issue remains a salient risk and a Core Violation of our Code.

We require our suppliers to implement age documentation and verification systems that are applied across their operations and to third-party labor recruitment agencies. Our suppliers must also provide training on these systems to all recruitment staff, including at their recruitment agencies. We review these systems as part of independent, third-party assessments, and if signs of underage labor are discovered, specialized third-party assessors are brought in for additional in-depth reviews. Over the last decade, age-related Code violations have decreased, coinciding with the significant efforts we've made in managing this risk in our supply chain.

Suppliers may provide legitimate workplace apprenticeship programs. These must be for the worker's educational benefit and consistent with Articles 6 and 7 of the ILO Minimum Age Convention No. 138. At the same time, we acknowledge that students seeking employment to satisfy vocational school or apprenticeship requirements may be vulnerable to recruitment by employers or labor agents that do not give due consideration to their educational goals and international labor requirements. To protect against this, we updated our Code and Standards to explicitly state that suppliers may only hire students in connection with an approved education or training program at an educational institution and not to meet demand for workforce labor or to fill short-term gaps in their workforce, and we continue to monitor these programs closely.



We've also strengthened our approval process for such hires. Suppliers must apply in advance before engaging with educational institutions to enable the proper management of education programs for apprentices, interns, and other students, such as conducting proper due diligence on the educational institution, matching job placement directly with related fields of study, and ensuring compliance with legal requirements regarding contracts, wages, and working hours. We confirm compliance through onsite visits and worker interviews.

### 5.4 Safe and healthy working conditions

We take steps to minimize these risks as much as possible before production begins; nevertheless, workers using heavy machinery and chemicals face some degree of occupational health and safety risk, which is why this issue remains salient in our supply chain.

#### Health and safety standards

Apple requires our suppliers to provide and maintain safe workplaces where workers have access to the information and resources they need to stay safe and healthy and feel empowered to speak up if they have concerns. Our Code and Standards and the [Apple Regulated Substances Specification](#) ("RSS") set strict standards to keep people safe and healthy on the job. We use our SupplierCare platform to communicate our stringent requirements to supplier teams and educate them on implementation.

We recently added a new standalone Code provision specifically on fire safety, expanding our existing strict standards, that requires suppliers to develop and implement a program to increase fire safety during property design, construction, renovation, utilization, and decommissioning and perform fire risk assessments with proper emergency response plans to mitigate the risk of harm to life, environment, and property.

#### Early supplier engagement

We work to identify and mitigate health and safety risks early in procurement and product development cycles. During the supplier screening process, we conduct onsite, independent, third-party due diligence — in 2023, we conducted Pre-Facility Readiness Assessments ("PFRAs") on 95 percent of prospective supplier sites before awarding business. After suppliers are awarded Apple business, we continue to review any of their facilities entering our supply chain for health and safety risks prior to mass production. We follow suppliers through the preproduction phase as they ramp up production to assess if they are exhibiting the required capabilities, paying special attention to those that posed — and then remedied — risks during the responsible procurement process.

*Learn more in "Supplier engagement and assessments" on [page 9](#).*

#### Machine safety

As we continue to drive innovation in our products, the machines used to build them must also advance, which is why we're always reviewing and strengthening our machine safety programs to help keep the people who operate manufacturing equipment safe on the job. For example, we recently introduced a new Code provision specifying safety requirements for the procurement of machinery.

To help suppliers adhere to these requirements, we provide training to increase awareness of machine safety standards and associated risks. This training covers fundamentals such as the use of safety devices, inspection basics, and hazards associated with moving parts. It also provides information about the safety inspections suppliers are expected to conduct on all existing machines using our safety checklist, which outlines best practices for the usage of signs and barriers, daily tasks for improving safety protocols, and methods for minimizing hazards. In 2023, more than 760 supplier sites across China mainland, India, Thailand, and Vietnam completed a new and enhanced version of our online machine safety training focused on integrated work station and automation safety.

We also conduct regular onsite inspections of equipment and evaluations of safety procedures. These inspections include assessments of machine guarding, electrical safety precautions, and catastrophic incident prevention systems, among many other safety engineering measures. In 2023, we completed onsite safety inspections of more than 2,600 machines at over 100 key supplier sites.

#### Chemical safety

Chemicals are required for many of the manufacturing processes necessary to create and assemble Apple products. Our approach to minimizing exposure to chemical hazards follows our hierarchy of controls, wherein we prioritize elimination and substitution before implementing other safety measures, such as personal protective equipment ("PPE"). We work with our suppliers and intentionally design our products and manufacturing processes to use safer materials, providing our suppliers with access to the information and resources they need to identify and select preferred alternatives from the start.

To help define safe materials for our suppliers, we first set strict material safety standards via our Code and Standards and the RSS. These guidelines are derived from — and often go beyond — international laws or directives, regulatory agencies, eco-label requirements, and environmental standards to protect human health and the environment.

We then map the chemicals in our supply chain to understand opportunities to substitute safer alternatives. In accordance with the ILO's Chemicals Convention, we require and provide mechanisms for suppliers to disclose information about the chemicals used at their facilities, including how each is stored and handled. Through our Full Material Disclosure ("FMD") and Chemical Safety Disclosure ("CSD") programs, our suppliers provide a data inventory that we use to both verify compliance with our standards and find opportunities to implement safer alternatives to substances that carry increased risk, either by their nature or the frequency or volume at which they are used.

This data has helped us identify process chemicals, such as cleaners and degreasers, as some of the most

used materials by volume at our final assembly sites, making them prime candidates to be replaced with safer alternatives. As of 2023, we have approved 175 safer cleaners for use in our supply chain. Since 2018, our final assembly sites have exclusively used these safer cleaners and degreasers, and we've started to expand this work to the component manufacturers that create modules used in final assembly.

In 2023, we were proud to receive the U.S. Environmental Protection Agency's ("EPA") Safer Choice Partner of the Year Award for the third time in four years, in recognition of our work to advance safer alternative cleaners and degreasers in our supply chain.

#### Worker living conditions

Our Code and Standards require that worker dormitories provided by a supplier or third party be clean, safe, and offer adequate living space. Suppliers are also required to provide workers with accessible and clean toilet facilities and potable water, and all supplier-provided dining, food preparation, and storage facilities must be sanitary.

We recently introduced new requirements for worker dormitories and dining facilities. These include requiring suppliers to conduct risk assessments, taking into consideration the climate of the location, temperature ranges, common practices in the region, and worker feedback to determine proper heating and cooling measures in dormitory rooms.

### 5.5 Freedom of association and collective bargaining

Our Code and Standards align with the ILO's fundamental conventions and state our requirements for suppliers in relation to the rights of employees to form and join — or refrain from joining — organizations of their choice and to bargain collectively through their chosen representatives without interference, discrimination, retaliation, or harassment.

These requirements include having written policies on freedom of association and accommodating workers





should they express a desire for a grievance mechanism in addition to formal representation. Suppliers are also required to honor, in good faith, the terms of any signed collective bargaining agreement for the duration of that agreement. Even where freedom of association and collective bargaining is restricted under law, suppliers are prohibited from obstructing alternative legal means for their employees to associate and bargain collectively.

We look for evidence of discrimination or retaliation related to freedom of association and collective bargaining, where allowed by law, as part of every assessment we conduct, which also includes confidential interviews with workers. In 2023, over 500 facilities in 32 countries and regions employed unionized workers, and more than 300 sites had negotiated collective bargaining agreements with their employees.

We also require all suppliers to train their employees on their rights, including freedom of association and collective bargaining through chosen representatives. Through our digital rights-training tools, we facilitate engagement with workers to familiarize them with the protections provided by our Code and Standards on this topic. We've also further strengthened supplier requirements for training programs and mechanisms to manage workplace relations and engage worker representatives in workplace health and safety assessments.

*Learn more in "Worker rights awareness" on [page 7](#).*

In 2023, we continued our partnership with the ILO, including in Vietnam, where their program helped educate and raise awareness among our suppliers about new worker protections and labor reforms being implemented across the country, including requirements related to freedom of association and collective bargaining.

## 5.6 Fair wages and hours

We take steps to confirm fair compensation of wages and bonuses based on accurate measures of time worked.

Our Code and Standards include provisions on working hours and wages and benefits, such as restricting the workweek to

60 hours (including overtime, which must be voluntary) and requiring that suppliers pay at least the minimum wage and provide any benefits required by applicable law and contract. Our suppliers must provide contracts that accurately describe an employee's work, a clear account of wages and benefits (including leave), and information on Apple's zero tolerance policy on recruitment fees. Suppliers must also have new employees attend an orientation training on local labor laws and the protections outlined in our Code and Standards.

We work with independent, third-party auditors to conduct assessments of supplier facilities, which include an extensive review of employee records, payroll information, contracts, and data on working hours. To help verify compliance with our labor standards outside of our assessments, we also require suppliers to report data on employee working hours throughout the year, with priority suppliers reporting on a weekly basis. In 2023, we received weekly data on working hours for an average of 1.4 million workers across more than 380 facilities, with reporting suppliers maintaining compliance with our standards across more than 96 percent of workweeks.

### Living wage

"Living Wage" is an important topic in our industry, and many others. In 2023, we undertook an exercise to more deeply understand wages in our supply chain above and beyond our Code requirements, which already mandate that all wages must meet local legal requirements and be paid on time. Understanding wage distribution is a critical part of our commitment to upholding peoples' right to be treated with dignity and respect. We're working with teams across Apple and external partners including the Responsible Business Alliance ("RBA"), ILO, and the Fair Wage Network to collect and map wage data in key countries and regions across our supply chain. We are using this data to inform the global conversation on a universally agreed upon definition and calculation methodology, while identifying the tools, resources, and support we need to develop for our suppliers to make the most impact for workers around the world.

## 5.7 Environment and human rights

Environmental rights are also human rights, which is why Apple's environmental strategy takes into consideration not only how we design, make, sell, reuse, and recycle our products but also the salient labor and human rights and health and safety risks of those actions and decisions.

Apple has been carbon neutral for our worldwide corporate operations since 2020, and we have committed to being carbon neutral across our supply chain and the lifecycle of each of our products by 2030.

To get there, we have committed to reducing greenhouse gas ("GHG") emissions by 75 percent compared to our 2015 baseline year.<sup>3</sup> Part of this commitment includes decarbonizing our supply chain and transitioning our suppliers to 100 percent renewable electricity. We are committed to doing so in a way that respects the rights and dignity of the people and communities impacted by the projects and investments we undertake in pursuit of this goal, including Indigenous Peoples. This requires expanding the application of our Code and Standards to suppliers supporting our work in this area, including key renewable energy project developers.

And as we progress toward our goal of transitioning to 100 percent recycled and renewable materials in our products, we also continue to strengthen our Responsible Sourcing of Materials Standard ("Responsible Sourcing Standard") by requiring the identification of risks related to retaliation against human rights and environmental defenders, as well as Indigenous Peoples' right to free, prior, and informed consent.

We take a similar approach to water stewardship, which includes upholding the basic human right to clean, safe water for the communities where our suppliers operate. We work directly with our suppliers to ensure they have robust policies, are managing their wastewater systems efficiently, and are reducing their overall consumption by reusing wastewater.

We are continuing our work with the Alliance for Water Stewardship ("AWS") to advance and certify our suppliers according to the AWS Standard, the first global framework to measure responsible water stewardship across social,

cultural, environmental, and economic criteria. Since 2018, 20 of our supplier sites have achieved certification for the AWS Standard, 16 of which have achieved a Platinum rating — the highest score achievable within the AWS framework.

## 5.8 Sexual harassment

Our Code and Standards require that our suppliers commit to a workplace free of harassment and abuse, including sexual harassment. This includes the establishment of clear policies and procedures on the prohibition of sexual harassment, as well as mandatory training on harassment and abuse prevention for all workers, supervisors, and managers.

Supplier employees are encouraged to report any incidence of sexual harassment through the anonymous grievance channels we make publicly available, including local whistleblower mechanisms, third-party hotlines, EthicsPoint, and our [public website](#) — or by contacting the Apple Environment and Supply Chain Innovation ("ESCI") team directly at any time and in any language. Apple's Global Whistleblowing Policy prohibits retaliation of any kind against employees who report issues through these channels, and should retaliation be discovered, our Core Violation process would apply.

*Learn more in "Supplier engagement and assessments" on [page 9](#) and "Engagement with rights-holders" on [page 12](#).*

We investigate all reports of sexual harassment, and if we discover sexual harassment has taken place, we take immediate action, working with the supplier(s) in question on appropriate remediation via our CAP process. This can include reviewing supplier policies and trainings on this issue, as well as corresponding remedies for affected employees, such as disciplinary action against the offending party.

*Learn more in "Holding suppliers accountable" on [page 21](#).*

We recently introduced new principles and guidance in our Code and Standards — based on ILO conventions and guidelines — requiring suppliers to provide necessary support and assistance to victims, including victims of physical or sexual assault, sexual harassment, or repeated bullying.



We also developed a sexual harassment training for all students in our Vocational Education Training apprenticeship program, training over 1,100 students to date. In 2023, we began to adapt this training for current supplier employees, piloting it across a number of sites. This training has prompted several workers to report cases of sexual harassment to their employers' human resources departments. We will continue to expand this training to reach more supplier employees in the year ahead.

Sexual harassment awareness and prevention are also core topics in the voluntary Leadership Soft Skills training program we offer supplier employees looking to build their leadership capabilities.

## 5.9 Managing salient risks deeper in our supply chain

Although Apple does not directly purchase, procure, or source primary minerals, we are committed to meeting and exceeding internationally accepted due diligence standards for both primary and recycled materials in our supply chain. We seek to one day use only recycled and renewable materials in our products and packaging. As we make progress toward this ambitious goal, we continue to source all materials that go into our products and packaging responsibly, while working to improve conditions in and around mining communities.

Consistent with Step 2 of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("OECD Due Diligence Guidance"), we work at multiple levels of our supply chain to identify and assess risks in our minerals sourcing practices. This includes requiring both our suppliers as well as the smelters, refiners, materials manufacturers, and recyclers deeper in our supply chain to identify and assess a broad range of risks, including social, environmental, and human rights risks.

Our Responsible Sourcing Standard outlines our extensive requirements for the responsible sourcing of materials deeper in our supply chain. The Responsible Sourcing Standard and our Code and Standards cover primary and

recycled materials, including advanced and bio-based materials, and are based on industry and internationally accepted principles, including the United Nations Guiding Principles on Business and Human Rights ("UNGPs"), ILO International Labour Standards, and OECD Due Diligence Guidance. In addition to setting our own rigorous standards, we support the development of industrywide responsible sourcing standards, including a framework for artisanally mined cobalt codeveloped with the RBA's Responsible Minerals Initiative ("RMI").

### Mapping our minerals supply chain

Driving the highest standards begins with thorough mapping of the smelters, refiners, and manufacturers that provide materials to suppliers deep in our supply chain — a practice we've strengthened over many years. Every year, we publish a list of all identified tin, tantalum, tungsten, gold ("3TG"), cobalt, and lithium smelters and refiners in our supply chain. In 2016, we became the first electronics company to publish a list of cobalt refiners in our supply chain, and in 2020, we were the first to publish a list of lithium refiners.

We also map other materials in our products, such as mica, copper, graphite, and nickel, and, before production, we evaluate suppliers of new materials for compliance with our requirements. This includes recycled and bio-based materials such as cotton, which is currently sourced from the United States and Australia. In 2023, we conducted due diligence on 58 recycled or bio-based materials to verify that their sourcing practices met Apple's standards.

A key component of our risk assessment due diligence process is our requirement that all suppliers that use 3TG in Apple parts and products submit to us an industry-standard Conflict Minerals Reporting Template ("CMRT"). We collect and process data from the CMRT to map our supply chain down to the smelter, refiner, and — to the extent possible — mining level. You can learn more by reading Apple's Conflict Minerals Report and Smelter and Refiner list on [our public website](#).

### Prioritizing materials for recycled and renewable transition

To better identify and understand the salient risks deeper in our supply chain, we conducted a comprehensive evaluation of the environmental, social, and supply chain impacts of over 45 mined elements and raw materials commonly used in consumer electronics.

Using a data-driven approach, we evaluated each material across several impact indicators. We then weighted these Material Impact Profiles ("MIPs") by the mass of each material Apple uses to make our products. This analysis complements the existing processes we have in place to map and conduct heightened due diligence on priority materials in our supply chain, including high-risk materials.

Through this work, we identified 15 priority materials — aluminum, cobalt, copper, glass, gold, lithium, paper, plastics, rare earth elements, steel, tantalum, tin, titanium, tungsten, and zinc — which account for 87 percent of the total product mass shipped to our customers in 2023.<sup>4</sup>

In 2023, we announced that by 2025 all Apple-designed batteries are targeted to be made with 100 percent recycled cobalt,<sup>5</sup> magnets in Apple products are targeted to use 100 percent recycled rare earth elements,<sup>6</sup> and all Apple-designed printed circuit boards are targeted to use 100 percent recycled tin soldering and gold plating.<sup>7</sup>

Since 2022, we've almost doubled our use of recycled cobalt in batteries across iPhone, iPad, and Mac devices year-over-year, bringing our total use in 2023 to 52 percent.

### Third-party assessments

Our Code and Standards and Responsible Sourcing Standard require our suppliers to review reported incidents and public allegations and to conduct independent, third-party audits of the processors of key materials in our supply chain — such as smelters, refiners, manufacturers, and recyclers — to mitigate identified risks. For select suppliers, we require additional specialized responsible sourcing audits to conduct a deeper review of

their internal management systems and compliance with Apple's requirements related to 3TG and other minerals. In 2023, 100 percent of the identified 3TG, cobalt, and lithium smelters, refiners, and manufacturers in our supply chain participated in third-party assessments to verify compliance with our standards and aid in managing human rights risks.

Along with conducting our own supply chain due diligence, we work closely with third-party audit programs — in particular, those operated by the RMI and London Bullion Market Association ("LBMA") — as well as upstream due diligence and monitoring programs to identify risks at the smelter, refiner, and mining levels and help strengthen industry auditing and certification bodies.

If smelters, refiners, and materials manufacturers are unable or unwilling to meet our requirements, they risk removal from our supply chain. Since 2009, Apple has directed the removal of 222 3TG and 9 cobalt smelters and refiners from our supply chain.

### Due diligence tools, resources, and training

We annually communicate our materials sourcing requirements to our suppliers and engage with them throughout the year using tailored communications and guidance. This includes conducting annual due diligence trainings with suppliers and providing them access to online training materials through SupplierCare that focus on Apple's due diligence expectations and requirements.

We also innovate, develop, and scale tools to enhance the risk management process deeper in our supply chain, such as the Risk Readiness Assessment ("RRA"), which has been deployed by the RMI since 2017 and is now used by hundreds of companies across industries. We use the RRA to assess risks in our global supply chain, with a focus on those associated with smelters and refiners that are new to our supply chain. In addition, the Copper Mark, an assurance framework for responsible copper production, used the RRA as part of its criteria at 69 sites last year.

We also utilize the RMI's Minerals Grievance Platform, a cross-industry platform where allegations concerning minerals



supply chains are investigated and addressed. Grievances can be anonymously submitted by non-governmental organizations (“NGOs”), companies, or the public.

Meanwhile, the RMI’s Material Insights Platform is a dynamic, online industry solution that helps actors in material supply chains strengthen their due diligence and facilitates joint efforts to address sourcing risks. It is designed to promote learning, collaboration, and improved environmental, social, and governance (“ESG”) management in mineral supply chains for more than 21 materials across 30 industries.

For the past three years, we have worked with the NGO IMPACT to support the development of solutions to measure and track supply chain activities related to social and environmental well-being in artisanal and small-scale mining (“ASM”) communities. One of these solutions is Bloom, IMPACT’s innovative, web-based monitoring and evaluation tool that supports users’ supply chain due diligence and ability to track their progress in alignment with broader ESG reporting targets and sustainability standards such as the United Nations (“UN”) Sustainable Development Goals (“SDGs”). Bloom allows users to define which indicators they want to measure against, benchmark their results against national and international statistics, and gain insight into opportunities to further support ASM communities. This platform, which began technical development in 2023 based on previous pilots, will allow companies such as Apple to evaluate conditions at the mining level based on these recognized targets.

**Engaging with stakeholders at the mining level**

Supporting independent voices at the mining level is critical to assessing and remedying risks deeper in our supply chain and safeguarding the well-being of mining communities. To do this, we engage in the following activities:

- We continue to support the International Tin Supply Chain Initiative’s (“ITSCI”) whistleblowing mechanism in the Democratic Republic of the Congo (“DRC”).
- With our support, the Massachusetts Institute of Technology (“MIT”) D-Lab Innovation Centers provide

training to gold miners and community leaders in Colombia to help them sustainably address ASM challenges.

- We partner with international development organization Pact to deliver rights-awareness training to miners, youth, and community officials in ASM communities in the DRC. These trainings are designed to raise awareness of a range of human rights issues and are based in part on a curriculum developed by the UN Children’s Fund (“UNICEF”). We’ve worked with Pact to make adjustments and improvements to enable the sustainability of these programs, including implementing Pact’s WORTH savings and loan program for both community members and apprenticeship graduates, providing more technical assistance to graduates, and collaborating even more with community groups and local government bureaus to create sustainable transition plans for core program activities.
- Through our work with the Fund for Global Human Rights (“the Fund”), we support human rights and environmental defenders in the DRC who work on issues including the economic and social rights of mining communities, inclusive economic growth, judicial advocacy, environmental justice, and the rule of law, as well as health, safety, and fair compensation for mining communities.

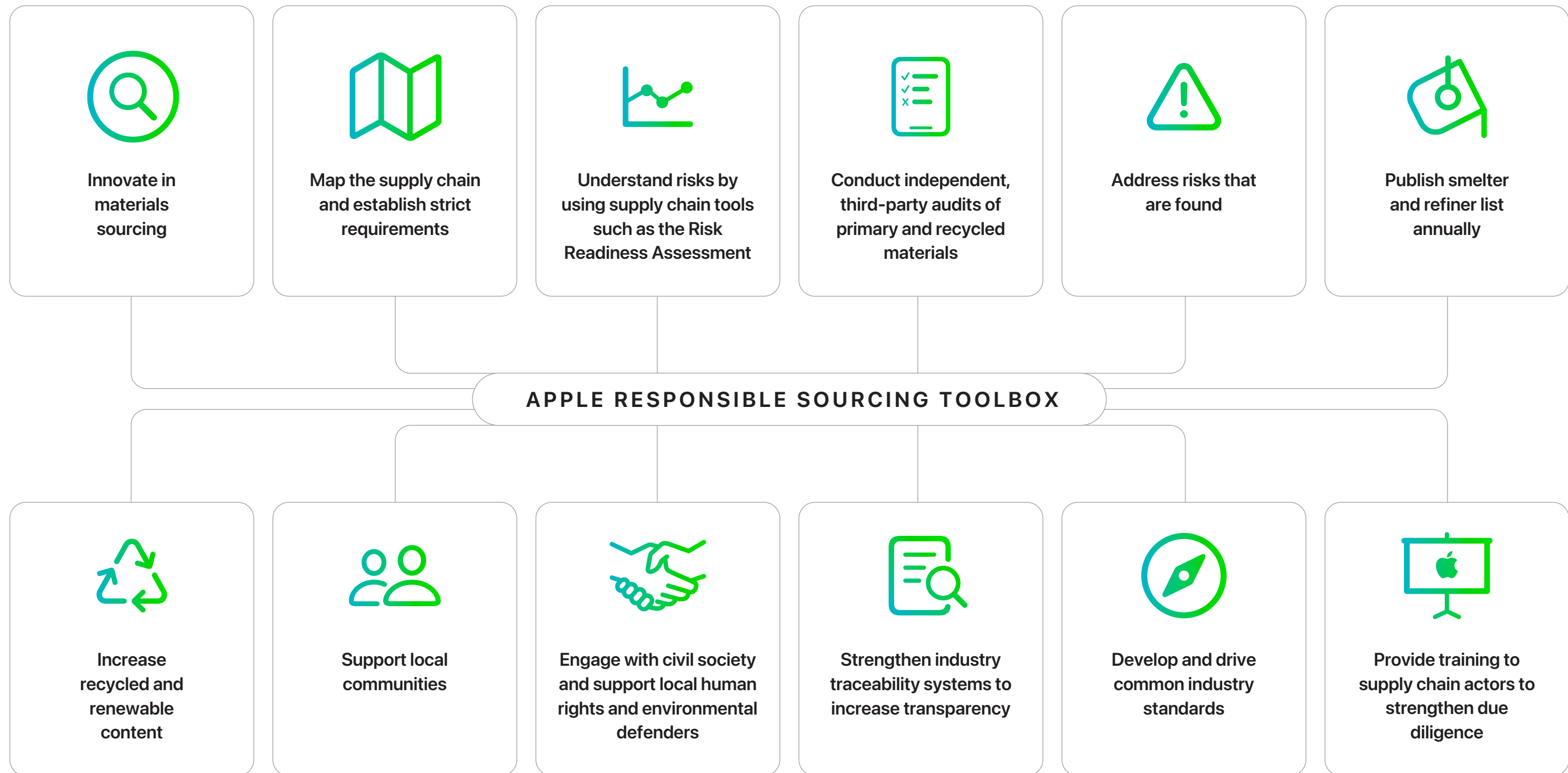
As we work to strengthen industrywide due diligence programs in areas where materials are sourced, we engage with and support a broad range of multistakeholder and community initiatives, including serving on the following in 2023:

- The Board of Directors of the RBA
- The Steering Committee of the RMI
- The Governance Committee of the Public Private Alliance for Responsible Minerals Trade (“PPA”), a multi-sector initiative supporting the ethical production, trade, and sourcing of minerals from the African Great Lakes region
- The European Partnership for Responsible Materials (“EPRM”), a partnership between civil society, industry, and government focused on responsible ASM and sourcing practices





# Upholding standards deeper in the supply chain





# 6. Accountability and remedy

**Our primary objective is always to identify and eliminate potential risks in our supply chain before they happen. When we do discover violations of our policies, we take swift action to hold suppliers accountable, requiring that remedy be provided to affected rights-holders and steps be taken to prevent the problem from happening again.**

## 6.1 Holding suppliers accountable

If issues of noncompliance are discovered through assessments or allegations from sources such as Apple employees, civil society organizations, news outlets, people in our supply chain, or the anonymous grievance channels we make available to the public, we require suppliers to promptly implement a plan to correct the problem and provide remedy to affected rights-holders. Once the plan has been fulfilled, we verify that all corrective actions have been completed to our standards. We call these processes Corrective Action Plans (“CAPs”) and Corrective Action Verifications (“CAVs”), respectively.

As part of the CAP process, the supplier is notified of the issue(s) and required to conduct root-cause analysis to develop corrective actions. During this time, our capability-building team provides suppliers with training on industry best practices and guidance in resolving identified issues, as well as support to strengthen their management systems and practices to prevent the issue from reoccurring. Required 30-, 60-, and 90-day check-ins with Apple ensure that supplier questions are addressed and clarification, awareness, and training are provided where needed. Some suppliers are required to complete more frequent check-ins if deemed necessary by Apple.

We then conduct our CAV process to verify that all corrective actions have been successfully implemented and necessary steps have been taken to prevent a reoccurrence.

In addition to activating the CAP and CAV processes, when we identify a Core Violation — the most serious level of violation of our Supplier Code of Conduct (“Code”) — Apple notifies the supplier’s Chief Executive Officer (“CEO”) and places them on probation. The probation period begins when a Core Violation is discovered by Apple and ends when Apple determines the supplier has completed all necessary corrective actions and there is no reoccurrence of the violation. Depending on the violation, probation may last for a year or more after the completion of corrective actions. Examples of consequences resulting from probation include receiving no new projects or new business and the termination of existing business with Apple.

Beyond promptly addressing the Core Violation, suppliers must also make changes to their management systems to address the root causes of the violation, take and sustain preventive measures so 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”).

Throughout these processes, our goal is to work hand-in-hand with suppliers to help them improve their

management systems rather than remove them from our supply chain before the issues are corrected. In the event that a supplier is unwilling or unable to remedy violations and improve their operations to meet our requirements, despite our investment of time and engagement, they risk removal from our supply chain. Since 2009, we have directed the removal of 25 manufacturing supplier facilities and 231 smelters and refiners from our supply chain.

### Capability building

As part of the remediation process, we invest in capability-building efforts to provide suppliers with the tools they need to resolve immediate issues and improve their management systems to prevent them from reoccurring.

SupplierCare provides online tools for suppliers to improve their operations and build new processes. Through the platform, suppliers are able to collaborate with us to track their assessment results, develop CAPs for assessment findings, reference best practice resources, and monitor their progress. SupplierCare supports capability building by providing on-demand educational content to increase understanding of and compliance with our Code and Supplier Responsibility Standards (“Standards”).

In addition to online resources, Apple deploys onsite experts to train and support suppliers. Since 2016, our subject matter expert (“SME”) program has sent Apple experts to supplier

facilities to help them create customized capability-building plans. The SME team is comprised of more than 30 Apple experts with robust industry experience and knowledge to solve both management and technical issues. Topic areas covered by this program include:

### Labor and human rights management

- Labor recruitment management
- Protected class management
- Discipline management
- Third-party employment agency (“TPEA”) / educational program management
- Wage and benefit management
- Grievance management
- Exit management
- Foreign Contract Worker management

### Health and safety management

- Risk assessments
- Emergency preparedness and response
- Personal protective equipment (“PPE”) and signage
- Industrial hygiene



- High-risk tasks management (such as work at height, hot work, and confined space entry)
- Lock-out tag-out
- Chemical management
- Ergonomics incident management

**Environmental management**

- Environmental permit management
- Waste management
- Wastewater management
- Stormwater management
- Air emissions management

The SME program helps supplier teams make corrective actions in response to instances of noncompliance, as well as implement general workplace and management improvement measures. In 2023, more than 40 supplier sites received customized support from experts who helped them take the necessary steps to improve their performance. On average, these facilities saw their year-over-year overall Code of Conduct assessment scores increase after receiving customized capability building.

For example, in the 2022 fiscal year (“FY2022”), we assigned a labor and human rights SME to support an iPhone and iPad enclosure facility following its below-average performance on that year’s Code of Conduct assessment. Our SME found a challenge for the facility in complying with Apple’s Code and Standards to be inadequate oversight of its third-party labor agencies. In addition, the relatively low volume of labor needed by the supplier meant it had little leverage to influence positive change across its labor agencies.

Apple’s SME worked with the supplier to decrease its dependence on third-party labor agencies by boosting direct hiring through implementing internal referral bonuses and online recruitment options to make it easier and more compelling for employees to obtain jobs directly through the supplier. Our SME also worked with the

supplier to implement programs that better retain current employees, including enhancing management systems to improve payment of work-related injury and sick leave, compensate unused annual leave properly, and standardize last payment settlement. The supplier also strengthened protections for pregnant workers related to working hours and overtime control.

These improvements helped the supplier minimize engagement with its labor agencies and, in doing so, better safeguard employee rights. The success of this program was evidenced during the next year’s assessment cycle, which saw the supplier’s total score increase from 77 in FY2022 to 99 in FY2023 and its labor and human rights score increase from 64 to 100.

**Measuring and evaluating performance**

We regularly evaluate our programs to assess their effectiveness in addressing our salient human rights risks in practice. Our ongoing engagement with suppliers throughout the year, including every assessment we conduct, provides us with valuable data about our suppliers’ performance in meeting our standards. This information, combined with insights from internal and external experts, highlights trends and larger opportunities for improvement. We address these opportunities through regular updates to our Code and Standards as well as the development and delivery of targeted training and capability-building efforts. These efforts are focused on elevating suppliers who are ranked as low- or medium-performing, but they also support high-performing suppliers in maintaining their performance level.

In addition to our assessment programs, many of our focused labor and human rights initiatives provide us with regular streams of information that highlight opportunities to evaluate their impact and effectiveness. For example, the digital worker rights education tools we’ve developed with our partners provide us real-time information about their effectiveness and subject matter retention, allowing us to rapidly update content to more effectively educate people across our supply chain on their workplace rights.

Our worker voice programs and platforms also provide a continuous connection to sentiment across the supply chain that enables us to better understand the workplace experience and identify trends and individual concerns sooner.

We extend these efforts to our learning and development programs, engaging leading academic institutions to measure their effectiveness and quality and recommend opportunities for the improvement and expansion of our offerings.

We are continuously expanding and improving our methods to measure and evaluate the efficacy of our risk identification and management programs in order to uphold and respect human rights across our supply chain.

**6.2 Remedy for rights-holders**

Worker access to effective remedy is a core component of the accountability and remediation process when violations of our standards are found. As part of our CAP process — or in direct response to complaints received from workers or third parties — we require our suppliers to provide remedy to any person in our supply chain who has been negatively impacted by the supplier’s failure to comply with our Code and Standards. Remedy for affected rights-holders can include a formal apology, financial compensation, and rectifying working or living conditions.

**Remediating violations related to salient risk areas**

The following outlines the remediation processes we have refined over many years of experience for specific violations of certain salient risks:

• **Debt-bonded labor**

If we discover that workers have paid recruitment fees to an Apple supplier or labor agency at any point during their employment journey, we require the supplier to promptly submit a worker repayment plan for our approval — even if such fees are legal in the supplier’s operating country or the workers’ home country. Once approved, the supplier directly repays affected employees for all fees paid during the

process of obtaining a job, and we verify full and timely repayment through an independent, third-party auditor. Reimbursement amounts are determined based on the range of fees identified through interviews with workers and cross-verification with applicable supplier labor agencies. If there is a dispute on the fee scope, amount, or date of repayment, Apple engages directly with the supplier to address the discrepancy and enforce repayment to impacted workers. Since 2008, \$34.5 million in recruitment fees have been repaid to over 37,700 workers by our suppliers.

• **Working hours and wages**

If we discover a supplier has misrepresented employee hours or pay, the supplier is required to revise all records to reflect an accurate accounting of hours worked, provide payment for any hours or overtime previously unaccounted for, and/or provide days of rest that affected employees are entitled to. The supplier is also required to undergo additional assessments to confirm that remedy to affected workers has been completed and changes have been implemented to their policies and management systems to prevent future violations.

• **Underage labor**

If underage labor is discovered, specialized third-party assessors are brought in for an in-depth review, and the supplier is required to immediately return the employee to their home safely. The supplier also presents educational opportunities to the underage employee and their guardians and is required to pay all tuition and educational fees, as well as the individual’s wages that would have been earned at the supplier facility until they reach legal working age. Follow-ups are conducted to verify the individual’s overall well-being, both at school and home. Once the student reaches legal working age, the supplier is also required to offer them employment.

We require suppliers to provide remedy to rights-holders, whether or not the violation has a specific remediation process, as noted in the aforementioned examples.



### Examples of remedy in 2023

Below are examples of remedy provided last year, resulting from allegations or grievances lodged by supplier employees or as part of the corrective actions taken following an assessment.

- **Freedom of association**

At one of our manufacturing facilities in the United States, neither facility management nor its TPEAs had a written policy in place on freedom of association that met Apple's requirements. We communicated the issue to the supplier and its TPEAs, and as a result, they developed and implemented a new policy on freedom of association, trained their workers on it, and now communicate it during new employee onboarding.

- **Living conditions**

In FY2022, through supplier employee interviews and dormitory inspections, we discovered multiple violations of our Code and Standards at a final assembly facility in China mainland, including crowded living conditions, a lack of storage space for private or valuable items, and insufficient bathrooms. Such cases require strategic planning and comprehensive action to restore living conditions to our standards, which is why, upon discovery of these issues, the supplier implemented a three-year renovation project that will be finished in 2024.

As part of the project, in 2023 the supplier renovated 30 employee dormitory buildings across its campus, including interior room renovations, facilities upgrades, and air conditioner replacements. As a result of these improvements, worker concerns about dormitory room capacity have decreased from 46 percent to 15 percent, and satisfaction around overall living conditions has increased to 82 percent.

- **Discrimination**

In FY2023, through our annual supplier assessment process, we discovered instances of suppliers asking for personal information in job applications at approximately

10 facilities in Vietnam, Japan, South Korea, and India.

This action puts applicants at risk of discrimination based on attributes that are protected under our Code and Standards, such as disability status, income status, political affiliation, marital status, preexisting medical conditions/illnesses, and religion. We required the suppliers to remove such questions from their job applications and train their recruitment staff on their anti-discrimination policies.

We also discovered that one supplier's TPEA in Japan had restricted job applicants based on criteria that could lead to discrimination, including the presence of tattoos, long or bleached hair, and uniforms that do not fit. We required the supplier to remove these criteria from its job application process to prevent potential hiring discrimination from taking place.

- **Payment of wages**

A worker at one of our supplier facilities in China mainland reported via our third-party grievance hotline that they did not receive their due bonus payment from the labor agency that hired them. We conducted a thorough investigation that confirmed the validity of this case, as well as four other cases of the same issue. In response, the bonus payments were immediately distributed to the impacted workers. We also removed the labor agency in question from our supply chain and hosted trainings with other labor agencies used by our suppliers to prevent the issue from reoccurring elsewhere.



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# 7. Additional resources

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1. [How we prevent forced labor in our supply chain →](#)

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2. [Understanding assessment results →](#)

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3. [Endnotes →](#)





# How we prevent forced labor in our supply chain

Apple does not tolerate forced labor. In the more than 50 countries and regions where our suppliers operate, we have teams of experts, including independent third parties, who monitor our suppliers and have put industry-leading procedures in place to help verify that no one is forced to work.

Our comprehensive approach starts before we sign a contract with a supplier and is meant to confirm that people’s rights are respected throughout the entirety of their employment journey, regardless of their job, their location, or how they were hired.



## We set the highest standards.

Eliminating forced labor begins with setting and maintaining the highest standards. Our standards often go above and beyond local requirements to protect people from forced labor risks.

### • **Aligning with international frameworks**

Our policies and supplier requirements align 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), and the Organisation for Economic Co-operation and Development (OECD).

### • **The Apple Human Rights Policy**

The Apple [Human Rights Policy](#) outlines how we treat everyone, including our customers, employees, suppliers, and people across each level of our supply chain.

### • **The Apple Supplier Code of Conduct (Code) and Supplier Responsibility Standards (Standards)**

Apple’s [Code and Standards](#) outline our strict requirements for responsible labor recruitment and apply to all suppliers, protecting workers globally. We go above and beyond legal requirements in many places by strictly prohibiting labor recruitment in regions where we cannot conduct adequate due diligence and by maintaining a zero fees policy, because we believe no one should pay to secure a job.



## We engage early.

To address forced labor risks at their roots, we know that our work has to begin before people enter our supply chain.

### • **Labor recruitment mapping informs our strategy**

An effective strategy requires a deep understanding of our supply chain. In 2023, we mapped over 2,100 labor recruitment agencies that work with our suppliers across 40 countries and regions.

### • **A leading strategy requires leading tools**

The Apple Responsible Labor Recruitment Due Diligence Toolkit (Recruitment Toolkit), developed in partnership with the International Organization for Migration (IOM), provides suppliers and their labor agencies with easy-to-use tools that help them effectively manage and report data, mitigating forced labor risks from the start of the employment journey. In addition to providing hands-on training, we are making these tools openly available for others to use.

### • **Awareness is power**

We require our suppliers to train their employees on their workplace rights to help raise their awareness about what to do if their rights are not being respected. Foreign Contract Workers, who make up a very small percentage of the people in our supply chain, also receive training, both prior to leaving their home country and upon arriving in their destination country. To date, our suppliers have provided workplace rights training to over 28 million people. And last year, we directly engaged with over 581,000 people in our supply chain to learn more about their workplace experience.

### • **Investing in continuous improvement**

Through our Supplier Employee Development Fund (SEDF), we’re investing \$50 million to expand programs designed to further improve the rights-training experience, worker voice platforms, and supplier employee education opportunities.



## We hold suppliers accountable.

Once we’ve implemented thorough preventative measures, independent, third-party assessments verify that our suppliers are meeting our standards. Looking for evidence of forced labor is part of every supplier assessment we conduct. If we find any violations of our Code and Standards, we take swift action to remedy the issue and improve the supplier’s operations.

### • **A close look**

We regularly conduct independent, third-party assessments, including surprise assessments, of our suppliers to verify compliance with over 500 criteria. This includes an extensive document review to confirm that all hiring and personnel records are in place and accurate. In addition to specialized forced labor assessments for at-risk suppliers, we also require many suppliers to participate in facility-wide assessments, such as the Responsible Business Alliance’s (RBA) Validated Assessment Program (VAP), to verify performance across the supplier’s entire business. If we find gaps in supplier compliance or capability, we require them to implement a Corrective Action Plan (CAP). Since 2007, our assessments have covered approximately 94 percent of our direct manufacturing spend.

### • **We investigate the reports we receive**

In addition to thoroughly assessing our suppliers’ performance in upholding our standards, we also receive reports from the press, governments, civil society, and people in our supply chain, and we encourage the public to report concerns via [our public website](#). We investigate the reports we receive and frequently have Apple teams onsite within 24–48 hours.

### • **Swift action and remediation**

Forced labor in any form is a Core Violation of our requirements.<sup>1</sup> If a Core Violation is discovered, the supplier’s Chief Executive Officer (CEO) is notified, and the supplier is immediately placed on probation, pending the successful completion of a CAP. Probation can include receiving no new projects or new business and the termination of existing business with Apple.

### • **Action this year**

In 2023, across more than 800 Code of Conduct assessments, we found no instances where anyone was forced to work in our supply chain. To date, our suppliers have directly repaid \$34.5 million in recruitment fees to over 37,700 of their employees due to Apple’s zero fees policy.



## We track progress and report transparently.

Consistent improvement requires transparency and accountability. Since 2007, we have been publishing reports on our efforts to transparently share our progress and challenges.

### • **People and Environment in Our Supply Chain Progress Report**

Published annually since 2007, this report (formerly known as the Supplier Responsibility Progress Report) contains a detailed account of our progress, challenges, and future plans across all areas of our supplier requirements.

### • **United Nations Guiding Principles on Business and Human Rights: 2024 Mapping of the Apple Supply Chain**

This document outlines the policies, processes, and programs for identifying, mitigating, and remedying salient human rights risks in our global supply chain.

### • **Disclosures on Efforts to Combat Human Trafficking and Slavery**

These disclosures are specialized filings that focus specifically on our efforts to prevent and address forced labor risks throughout our supply chain. They include our due diligence process for our entire business, including manufacturing, materials and goods sourcing, and services. These reports also demonstrate our alignment with the UNGPs and meet regulatory requirements in Australia, California, Canada, Norway, and the United Kingdom (UK).

### • **Consistently raising the bar**

We revisit all of our supplier requirements every year, consistently raising the bar that suppliers must meet in order to continue doing business with us, and publish the updates publicly.

### • **Learn more**

We publish additional reports that provide a transparent look at our supply chain. Our [Conflict Minerals Report](#) describes our work to responsibly source materials. Our [Smelter and Refiner List](#) is a list of all identified tin, tantalum, tungsten, gold (3TG), cobalt, and lithium smelters and refiners across our global supply chain, and the [Apple Supplier List](#) shares the companies and their locations that comprise at least 98 percent of our direct manufacturing spend.



## We regularly engage and partner with experts.

Engagement with stakeholders and rights-holders is necessary to hold ourselves accountable, take action where it’s needed, and achieve rapid progress.

### • **The International Labour Organization**

We work closely with the ILO on a number of projects, including those related to advancing worker rights and voice. Apple is a member of the ILO Global Business Network on Forced Labour and serves on the steering committee.

### • **The International Organization for Migration**

Apple partners with IOM on multiple initiatives, including the development of and trainings on our Recruitment Toolkit.

### • **Responsible Business Alliance**

Apple collaborates with the RBA and its member companies frequently throughout the year on initiatives spanning the entirety of the work we do across our supply chain. As a full member, we have served in several leadership capacities, including as a member of the Board of Directors (Board), a founding and former steering committee member of the Responsible Labor Initiative (RLI), and a member of the steering committee of the Responsible Minerals Initiative (RMI).

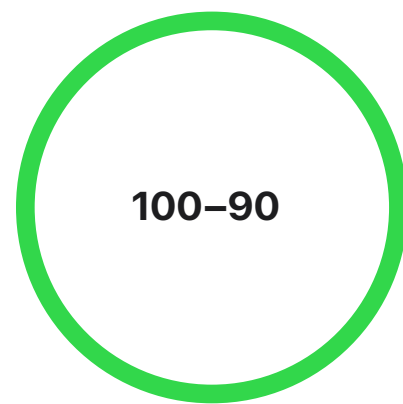
### • **Fund for Global Human Rights**

Apple partners with the Fund for Global Human Rights (the Fund) to support grassroots activists as well as human rights and environmental defenders.



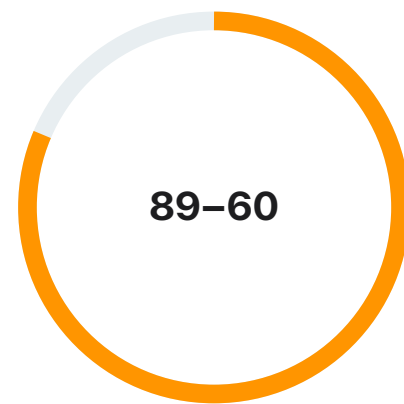
# Understanding assessment results

## Our 100-point scale for supplier assessment scores



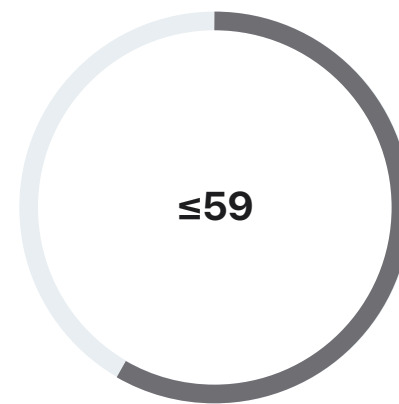
### High performer

- Mature management systems and consistent implementation
- Minor and isolated Code violations



### Medium performer

- Typically have some management systems in place but may be underdeveloped or implemented inconsistently
- May have major, isolated Code Violations and/or numerous minor violations



### Low performer

- Severely underdeveloped management systems
- Major violations found across a number of Code categories
- Any supplier found to have a Core Violation of our Code, whether during an assessment or at another time during the year, is automatically classified as a low performer

Our assessment process evaluates suppliers against more than 500 criteria to verify their performance and identify areas of improvement. Once assessed, each supplier facility is ranked on a 100-point scale across three categories: 1) labor and human rights, 2) health and safety, and 3) the environment. The average number of points received is the facility's composite score for the year, which determines if the supplier is designated as high-, medium-, or low-performing. These performance categories reflect both the frequency and severity of any issues found during the assessment process.

We utilize standard definitions for violations of our supplier requirements in order to consistently evaluate our suppliers' performance in upholding our standards.

### Administrative Noncompliance:

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

Examples of administrative noncompliance include:

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

### Violation:

Denotes noncompliance with our Code and Standards.

Examples of violations include:

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

### Core Violation:

The most serious violation of our Code and Standards. When a Core Violation is identified, the supplier's Chief Executive Officer is notified, and the supplier is immediately 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 necessary corrective actions. Examples of consequences resulting from probation include receiving no new projects or new business and the termination of existing business with Apple.

Core Violations of our Code include:

- Abuse
- Underage labor
- Debt-bonded labor
- Forced labor
- Falsification of data
- 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



# Endnotes

## Forward-looking statements:

The report does not cover all information about our business. References in this report to information should not be construed as a characterization regarding the materiality of such information to our financial results or for purposes of the U.S. securities laws. The information covered by the report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our environmental, social, governance and human rights goals, targets, commitments, and strategies and related business and stakeholder impacts. These statements involve risks and uncertainties, and actual results may differ materially from any future results expressed or implied by the forward-looking statements, including any failure to meet stated goals and commitments, and execute our strategies in the time frame expected or at all, as a result of many factors, including changing government regulations or stakeholder expectations, and our expansion into new products, services, technologies, and geographic regions. Forward-looking statements can also be identified by words such as “future,” “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “will,” “would,” “could,” “can,” “may,” and similar terms. More information on risks, uncertainties, and other potential factors that could affect our business and performance is included in our filings with the SEC, including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the company’s most recently filed periodic reports on

Form 10-K and Form 10-Q and subsequent filings. We assume no obligation to update any forward-looking statements or information for any reason, which speak as of their respective dates.

- <sup>1</sup> Core Violations are the most serious level of violation of our Code and Standards. Learn more about Core Violations on [page 26](#).
- <sup>2</sup> Supplier assessment scores are reflective of a supplier’s performance at the time of assessment. If violations are discovered through other engagements or reports, suppliers are required to follow standard remediation processes, including Corrective Action Plans, Corrective Action Verifications, and undergoing additional assessments as needed. Beginning in fiscal year 2022, any supplier found to have a Core Violation of our Code, whether during or outside of an assessment, is automatically classified as a low performer for the year, requiring them to complete additional capability-building programs and undergo additional assessments. Learn more about how we score assessments and categorize supplier performance on [page 26](#).
- <sup>3</sup> The Science Based Targets initiative (“SBTi”) has validated the following emissions reduction target for Apple: 61.7 percent by fiscal year 2030 (“FY2030”) relative to our fiscal year 2019 emissions. This SBTi-validated target is derived from our target to reduce emissions by 75 percent by FY2030 relative to 2015, with a base year of 2019 instead. Our SBTi target excludes less than 3 percent of scope 1 and 2 emissions in the base year, including fire suppressants, refrigerant leakage, purchased or landlord-provided steam and chilled water, and certain greenhouse gases (HFC, PFC, SF6, and NF3), which do not meet

Apple’s relevance threshold. In addition, our SBTi target excludes the following scope 3 categories, which collectively are approximately 10 percent of our base year scope 3 emissions: “capital goods” due to limited data availability, which limits our ability to influence these emissions, as well as “fuel and energy related activities” and “waste generated in operations,” as these emissions are negligible.

- <sup>4</sup> In Apple’s 2022 Environmental Progress Report, covering FY2021, we stated that the 14 priority materials account for 90 percent of the total product mass shipped. For FY2022, Apple improved its internal data models, resulting in an increase in the total product mass shipped, thereby reducing the coverage of our priority materials to 87 percent of the total product mass shipped. In FY2023, Apple included titanium to the priority materials list, which, in total, account for 87 percent of the total product mass shipped.
- <sup>5</sup> Apple’s commitment is to use 100 percent recycled cobalt, on a mass balance-system basis, in all Apple-designed batteries by 2025. We calculate our use of recycled cobalt on a mass balance-system basis at the end of each fiscal year.
- <sup>6</sup> Apple’s commitment is to use 100 percent recycled rare earth elements in all magnets by 2025.
- <sup>7</sup> Apple’s commitment is to use 100 percent recycled tin soldering and gold plating in all Apple-designed rigid and flexible printed circuit boards by 2025.

**Continuous improvement is in Apple's DNA, and our work to uphold the highest standards across our global supply chain is no exception.**

**We believe that business can and should be an innovative force for good. By upholding our values everywhere that our business reaches, we strive to prove this to be true and share what we've learned with others, so that everyone moves forward, faster.**

**Our work continues.**

**Additional reporting on our programs and progress is available on [our public website](#).**

