

# **2024 Report Under the Fighting Against Forced** Labour and Child Labour in **Supply Chains Act**

Canada

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### **2024 Statement of Apple Canada Inc.**

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# 1. Introduction

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "**Act**") requires certain entities to report on the steps they took during their previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.

For the purposes of the Act, this statement of Apple Canada Inc., read in conjunction with Apple's\* fiscal year 2024 People and Environment in Our Supply Chain Report attached hereto as Annex 1 (the "**Supply Chain Report**"), comprises Apple Canada Inc.'s 2024 Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "**2024 Canada Report**"). The 2024 Canada Report is made on behalf of Apple Canada Inc., whose financial year ended on 28 September 2024. 3

<sup>\*</sup> The term "Apple" as used in this statement refers collectively to Apple Inc. and its subsidiaries and branches, including Apple Canada Inc.

# 2. Supply Chain Report

The Supply Chain 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 Supply Chain Report addressing prescribed topics under the Act are listed below.

Topic

Topic	
Apple's policies and due diligence processes in relation to forced labour and child labour	Sections 3.1,4.1,4.4, and 4.7
Parts of Apple's business and supply chains that carry a risk of forced labour or child labour being used and the steps Apple has taken to assess and manage that risk	Sections 4.4, 4.7, 5, and 6.1-6.2
Training provided to Apple employees on forced labour and child labour	Section 3.3
How Apple assesses our effectiveness in ensuring that forced labour and child labour are not being used in Apple's business and supply chains	Sections 3.4-3.7, 4.1-4.4, 4.7, 4.12, 5, and 6.1-6.2

### **Supply Chain Report**

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

Apple Canada Inc. implements Apple's global policies throughout its operations. Read more about Apple's anti-modern slavery policies and programs, such as those listed below, at apple.com/compliance and 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**

# 4. Apple Canada Inc.'s Business Structure and Operations

Apple Canada Inc. is a wholly owned subsidiary of Apple Inc. Apple Canada Inc. is engaged in retail consumer electronics and online services.

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# **5. Remediation Measures**

For the financial year ending 28 September 2024, Apple Canada Inc. has not identified any reportable incidents of forced labour or child labour in its activities or its supply chain that would require Apple Canada Inc. to take any measures to remediate or eliminate the use of forced labour or child labour, or to address any resulting loss of income to vulnerable persons. The Supply Chain Report includes information with respect to the Apple Inc. group's remediation measures, generally, in sections 5.1-5.3.

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# 6. Approval, Attestation and Signature

The 2024 Canada Report was approved by the Board of Directors of Apple Canada Inc. in accordance with section 11(4)(a) of the Act.

Full Name: Heslie Chua

Title: Director

Date: 29 May 2025

I have authority to bind Apple Canada Inc.

Annex 1

# People and Environment in Our Supply Chain

2025 Annual Progress Report





















Vocational Education for Persons with Disabilities, China mainland







**United States** 





### 1. Upholding Apple values across our supply chain $\rightarrow$

2. How we work with suppliers $\rightarrow$	
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- 3. Human rights at the foundation  $\rightarrow$
- 4. How we drive high standards  $\rightarrow$
- 5. Supplier accountability and remedy for rights-holders  $\rightarrow$
- 6. Supplemental resources  $\rightarrow$
- 7. Endnotes  $\rightarrow$

## A letter from Sabih Khan

We launched our Apple Supplier Code of Conduct almost twenty years ago — and since then, we've continued to raise the bar and drive higher standards in our global supply chain and across industries.

The innovation we devote to our products also fuels our work to invest in the people in our supply chain and to protect the planet we share. We put our values into action by cultivating safe and healthy work environments, upholding labor and human rights, and rising to the urgent challenge of climate change.

We approach this work as a partnership with the thousands of businesses that are part of our global supply chain. As we navigate an ever-changing landscape, our collaboration has only become more important — and the progress we're driving together keeps us optimistic about the future.

Over the past year, our supply chain has continued to grow as we work with so many innovative companies — both in the U.S. and around the world — and expand our programs to support our suppliers' employees. In 2024 alone, more than 2.5 million supplier employees participated in trainings on their workplace rights, and our health education programs are continuing to empower the people in our supply chain to look after their health and well-being. We also engaged more than 1.3 million supplier employees to hear directly about their workplace experiences, and we use that feedback to evaluate our progress and raise the bar — holding our suppliers accountable and resolving issues quickly and comprehensively wherever they arise.

For us at Apple, advancing these standards is crucial to protecting people and driving transparency. Every day, we're building a supply chain that not only safeguards people's dignity and rights, but also helps them learn new skills, find community, and advance in their jobs.

Through our \$50M Supplier Employee Development Fund, we're investing in programs that broaden awareness of workplace rights, and provide people in our supply chain with opportunities to learn professional and technical skills that enable them to explore new paths. Since 2008, we've reached more than eight million people with educational programs, and continue to expand our offerings each year.

We're also continuing to push forward in our work to protect the planet and to reach our goal of becoming carbon neutral across our entire footprint by 2030. A key part of that is the pioneering work we're doing to one day make our products without taking from the earth.

It has been a milestone year for our recycling work. Our industry-leading innovations have unlocked new ways for us to accelerate the use of key recycled materials in batteries, magnets, and circuit boards. That means we're well on our way to reach our goals of using 100 percent recycled cobalt in all Apple-designed batteries, 100 percent recycled rare earth elements in our magnets, and 100 percent recycled tin soldering and gold plating in all Apple-designed printed circuit boards by the end of this year. We're proud of the rapid strides we've made, and we're continuing to require our suppliers to responsibly source all the materials that go into our products — whether primary or recycled.

This work requires a relentless commitment to taking on challenges that have never been tackled before. Throughout our journey, we'll continue to share our learnings to encourage positive change beyond our supply chain and across industries.

At Apple, we are as committed as ever to driving progress everywhere our global supply chain reaches — and to meeting every challenge by leading with our values. So thank you, to all our suppliers and partners, for your dedication to making a meaningful difference in people's lives and in communities around the world.

### – Sabih Khan



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

# By the numbers: Progress across our supply chain

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### Labor and human rights

### 30M+

supplier employees trained on their workplace rights since 2008, with more than 2.5 million trained in 2024

### 1.3M+

supplier employees engaged on their workplace experience in 2024, including more than 563,000 people surveyed; over 74,000 people interviewed as part of supplier assessments; and more than 665,000 people reached as part of grievance channel awareness campaigns

### 1.4M+

supplier employees covered by responsible labor recruitment due diligence training since 2019

### \$34.5M+

in recruitment fees paid back by suppliers to more than 37,700 employees since 2008 due to Apple's zero-fees policy

### 1.4M+

supplier employees' working hours reviewed weekly to verify compliance with our standards

### 95+

human rights and environmental defenders and organizations supported by Apple

### 3

### Health, safety, and education

### 5.8M+

supplier employees empowered by our health and wellness education programs since  $2017\,$ 

### +008

supplier sites enrolled in our enhanced machine safety training since 2024

### 8M+

supplier employees who have participated in technical training, professional development, and enrichment courses since 2008

### 18K+

supplier employees participating in the Vocational Education for Persons with Disabilities program since 2022

### 340K+

participants in Apple's Swift coding program since 2017; six apps developed and launched by supplier employees on the App Store in 2024



### Supply chain accountability

### 50+

countries and regions where assessments were conducted

### 893

independent, third-party supplier assessments, and 262 assessments of smelters and refiners conducted in the 2024 reporting period<sup>1</sup>

For information about our 2024 assessment results, see page 45.

### 100%

of smelters and refiners of cobalt and lithium — key materials contained in batteries — assessed through third-party audits in calendar year 2024, marking nine consecutive years of participation for cobalt and five for lithium

### 100%

of tin, tantalum, tungsten, and gold ("3TG") smelters and refiners that have participated in third-party assessments for ten consecutive years

### 112

recycling supplier facilities assessed through third-party audits for compliance with our standards

### 125

new or expanding supplier facilities assessed for labor, human rights, and environmental risks prior to entering our supply chain

### 25

manufacturing supplier facilities, and 203 3TG, 17 cobalt, and nine lithium smelters and refiners removed from our supply chain since 2009 for failing to meet our standards<sup>2</sup>

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### Environment

### Nearly 18

gigawatts of renewable energy sourced by Apple suppliers in 2024

### 24%

of material, by weight, used in our products made of recycled or renewable materials  $^{\rm 3}$ 

### 250+

suppliers in our Clean Water Program that have achieved an average water reuse rate of at least 40%, ahead of our 2030 goal

### 230+

supplier facilities that have been Zero Waste-assured by UL Solutions, a leading manufacturing industry certifier, with more than 480 supplier facilities participating in our Zero Waste program across 15 countries and regions<sup>4</sup>

# 1. Upholding Apple values across our supply chain

We lead with our values. This means putting people at the center of everything we do by honoring our commitment to respect the human rights of everyone whose lives we reach, including the people who make our products and the communities where our suppliers operate. We embed our values in every decision we make, including the suppliers we choose to work with, the materials we select for our products, and the processes and equipment we use to make them. We hold ourselves and our suppliers to the same high standards, working to uphold our values everywhere our business reaches.











# The Apple Supplier Employee Development Fund

Millions of people across more than 50 countries and regions contribute their talents and skills every day to helping us build the best products in the world. And we want people and their communities to be better off for having been a part of our global supply chain.

Our \$50 million Apple Supplier Employee Development Fund ("SEDF") was created to modernize and further expand our investment in the programs that serve and provide opportunities to the people in our supply chain. Through SEDF, Apple commits to:

- Empower our suppliers' employees to partner with us in continually improving the standards and programs that help us drive respect for the rights and dignity of everyone our supply chain reaches
- Cultivate workplaces that are safe, healthy, inclusive, and where the career opportunities created by our supply chain are accessible
- Create opportunities for supplier employees to have access to the training, education, and opportunities they need to thrive, both personally and professionally

To deliver on these commitments, and to further build on programs that have been in operation for more than 15 years, we work with strategic partners and experts to create positive impact for people and communities across our supply chain. These range from expanded rights-awareness training and worker voice platforms, to technical, professional, and health education programs, and community resilience programs and beyond. Through all of these programs and partnerships, millions of people around the world are empowered to speak up about their workplace experiences, connect with each other, and learn skills that unlock new opportunities.

### Labor and human rights in focus

Safe, healthy, respectful workplaces begin with a workforce that's aware of their rights, and equipped with the knowledge of how to speak up when those rights are not being respected. Through SEDF, we're leveraging the scope and scale of our supply chain to drive positive change in workplaces across, and even beyond, our reach.

### Enhancing rights awareness

In 2024, we continued to invest in technologies to make worker rights trainings in our supply chain more informative, easy to access, and efficient to deliver. We require suppliers to train all of their employees on their workplace rights, and by leveraging the platforms we've made available through SEDF, people across our supply chain are having a more consistent, impactful learning experience. In 2024 alone, 2.5 million workers were trained on their workplace rights through these platforms.

We are also working with leading international organizations to support training focused on the issues most relevant to suppliers and workers at a local level. In Vietnam, where new labor reforms and regulations recently went into effect, we partnered with the International Labour Organization ("ILO") to train more than 64,000 supplier employees and 700 managers about the new

worker protections being implemented. Building on the success of this work, we're broadening our partnership with the ILO in 2025 to train workers and managers in India on communication and conflict management, with a focus on gender equity and empowerment.

Through SEDF, we also continued our partnership with the International Organization for Migration ("IOM") to expand the reach of our responsible labor recruitment due diligence tools and resources, and scale training to more of our suppliers and their labor agencies. In 2024, more than 600 supplier employees and labor agents in 14 countries received responsible labor recruitment training.

Learn more about worker rights training on page 24, and our responsible labor recruitment program on page 30.

### Amplifying worker voice

Input from rights-holders is critical to cultivating workplaces that are safe, and where people's rights are respected. We do this by proactively engaging directly with supplier employees, listening to and acting on their feedback, and creating ample opportunities for them to speak up confidentially if they have concerns or ideas for improving their workplaces.

As part of SEDF, we're continuing to improve our worker voice program, conducting surveys, interviews, and grievance channel awareness campaigns with supplier employees around the world, and scaling tools to understand sentiment across our supply chain at a glance. In 2024, through all of these channels we directly connected with more than 1.3 million supplier employees on their workplace experience.

Learn more about our worker voice programs on page 24.

### Expanding opportunities though education

We believe education is a powerful, equalizing force. It's also an Apple value, and an important part of our DNA. Many of our supplier employee education programs have been operating since 2008, and through SEDF, we're modernizing and expanding these offerings.

Our supplier education programs focus on three pillars: technical skills development; professional skills development; and health and wellness training. Collectively, these programs are helping our suppliers develop the business-critical skills in their workforce to meet the demands of an evolving supply chain, and for supplier employees to gain skills to grow personally and professionally.

#### Technical skills to unlock new pathways

Building technical skills is one of the best ways for people in our supply chain to gain access to new career opportunities. Through SEDF, we are delivering a wide variety of technical skill-building programs across the United States, China mainland, India, and Vietnam, helping people to gain marketable skills in highly sought after areas such as coding, smart manufacturing fundamentals, automation equipment maintenance, and Lean Six Sigma, a methodology for improving operational efficiency and quality used in manufacturing and other industries. Since launch, more than eight million people in our supply chain have taken advantage of these programs, resulting in successful outcomes, such as advancement into technical roles at their facilities, and even creating apps that have independently achieved the high bar required to be launched on the Apple App Store.

#### Vocational Education for Persons with Disabilities

Through SEDF, we are working to increase access to employment opportunities in Apple's supply chain through our Vocational Education for Persons with Disabilities program. This offering provides employment and professional development opportunities for people who may need additional support working in standard manufacturing environments. It also seeks to make workplaces safer, and more accessible and inclusive. The program — which is expanding to include participating suppliers in the United States, China mainland, India, and Vietnam — has benefited more than 18,000 supplier employees to date, providing employment and workplace training to people with disabilities, as well as inclusion training for managers and their peers to help them support their coworkers to be successful in their new roles.

Learn more about our Vocational Education for Persons with Disabilities program on page 31.

#### The Apple Education Hub

Digital learning through the Apple Education Hub has enabled us to expand our education offerings to more supplier employees in more places, but we also still recognize the value of bringing people together in-person to learn and build a sense of shared community. In 2022, we opened a physical home for the Apple Education Hub at Zhejiang University in China mainland, which offers a state-of-the-art learning lab where supplier employees can receive both hands-on and virtual educational experiences. This dedicated space also hosts workshops for curriculum development, trainings for the supplier teams responsible for delivering training programs in their facilities, and forums on topics such as smart manufacturing for Apple suppliers and business partners. Building on the success of our first physical hub space, we plan to open hubs in additional countries, including the United States, beginning in 2025.

#### Health education

For many supplier employees, their position at an Apple supplier facility may be their first experience working in a manufacturing environment, away from friends and family, and living and working with many different people. Empowering people with health education resources on topics such as nutrition, mental well-being, reproductive health, and early disease detection is essential to helping supplier employees navigate these environments in a way that promotes their overall health and wellness.

Since 2017, through new employee orientation sessions, Apple Education Hub programs, and other specialized training opportunities, we've helped make health education and resources available to more than 5.8 million people. Our health education initiatives are tailored to meet the needs of local supplier employee populations, equipping them with important knowledge and skills to take control of their own health, which they can then share with their communities to multiply the impact.

Learn more about our health education programs on page 35.

### Supporting communities

Recognizing that our global supply chain has the potential to impact not only supplier employees, but also communities, our work extends beyond the four walls of our suppliers' facilities and deep into our supply chain.

This focus on community impact is embedded across our work, from supporting mining communities upstream in our supply chain where our suppliers source materials, to stewardship of local water resources, to extending our health education to the broader communities where suppliers operate. This includes supporting communities across our supply chain in becoming more resilient in the face of climate change, and to develop the skills needed to thrive as we transition to a green economy. For example, we are partnering with IOM on a program in Ginitligan, a small community in the Philippines from which our suppliers' labor agencies hire workers. The IOM is working with the local government to provide community members with the skills to build and maintain climate-change resilient homes. The skills they have learned and homes they have built are already having a dramatically positive impact on a community that has suffered increasingly intense typhoons that have repeatedly destroyed swaths of housing. By providing a framework and the skills needed to build better structures, the program is supporting the community, while also providing economic opportunity to the people living there.

Learn more about the IOM climate resilience and water stewardship program on page 37, and our support for mining communities on page 39.

We are proud of the progress we have achieved through SEDF so far, but we continue to raise the bar and expand our impact. In February of 2025, we held our first SEDF Partners Meeting at Apple's Austin, Texas campus, bringing together all of the organizations that make SEDF's programs possible. We reviewed what's been accomplished to date, visited Apple's Material Recovery Lab to learn about our state-of-the-art recycling technology, and together, began to build the framework for the next wave of innovation in SEDF's programming. We also hosted a responsible sourcing roundtable as part of this gathering to dive deep into the challenges and opportunities ahead in materials sourcing, and the intersections of this work with the transition to circular supply chains.

As we embark on SEDF's fourth year, we are excited to continue driving positive impact and opportunity for the millions of people that are part of the Apple supply chain.

Taihu Basin, China mainland, an important focus of Apple's Clean Water Program



# Protecting the planet we all share

Environmental rights are human rights, which means putting people first includes being a responsible steward of the planet we all share. At Apple, we're acting with urgency to protect our shared resources and be a leader in the fight against climate change. Across our work, we're also committed to being a force for equity, taking action to empower communities that have been disproportionately impacted by climate change.

### **Apple 2030**

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

Our journey to Apple 2030 starts with our goal to first reduce our scope 1, 2, and 3 emissions by 75 percent compared with 2015, and then invest in high-quality carbon removal solutions for the remaining emissions.<sup>5</sup> We're already well on our way, having reduced emissions by more than 60 percent since 2015, even as our business has grown.

We also continue to increase our use of recycled and renewable materials, which are typically less carbon-intensive than their primary alternatives. This helps us achieve progress toward our 2030 carbon neutrality goal, as well as our goal to one day make all of our products using only recycled or renewable materials.

### **Environmental stewardship in the** supply chain

As we build products that enrich the lives of people around the world, we are also working to minimize their environmental impact while safeguarding the local environments where we and our suppliers operate. That's why our environmental strategy covers the stages of the product lifecycle across our supply chain.

Our manufacturing supply chain accounted for 54 percent of our gross carbon footprint in 2024, and 99 percent of our water use. We work with our suppliers to take steps to reduce their environmental impact while also becoming better stewards of the resources we share. Our suppliers are required to address the management of regulated substances, stormwater, wastewater, air emissions, and waste, as well as pollution prevention, resource use, and environmental permits. We support our suppliers in meeting these requirements through dedicated programs, tools, and resources.

### Supply chain decarbonization

Reaching our carbon neutrality goal means we must significantly reduce emissions across our manufacturing processes, from material processing, to component

manufacturing, to final product assembly. To make this happen, we're driving energy efficiency initiatives and working to transition our entire supply chain to 100 percent renewable energy, because electricity usage makes up the majority of our supply chain's carbon footprint.

We're addressing supplier emissions through targeted programs that have evolved with our goals and strategy, such as our Supplier Clean Energy Program and Supplier Energy Efficiency Program, which focus on decarbonizing electricity usage at our supplier sites and making them as energy-efficient as possible.

In October 2022, we shared the expectation with the executives of our major manufacturing and logistics partners that their companies decarbonize their entire Apple footprint by 2030, including all their scope 1 and 2 emissions associated with Apple production. To rapidly scale and accelerate progress to Apple 2030, the Apple Supplier Code of Conduct now requires our entire direct manufacturing supply chain to use 100 percent renewable electricity for all Apple production before 2030.

### Circularity and recycling

We aim to create products that make greater use of circular supply chains by sourcing recycled and renewable materials, designing long-lasting and durable products, and developing recycling innovations to improve how we recover materials at the end of a product's useful life. Circularity helps unlock the potential of the materials in our products so that they can be used again and again, making the best use of finite resources.

In 2024, we continued to accelerate progress toward our ambition to build products using 100 percent recycled or renewable materials. This includes progress on our near-term goals to use 100 percent recycled cobalt in all Apple-designed batteries,<sup>6</sup> 100 percent recycled rare earth elements in magnets in Apple devices,<sup>7</sup> and 100 percent recycled tin soldering and gold plating in all Apple-designed rigid and flexible printed circuit boards<sup>8</sup> by the end of 2025.

Innovation is central to realizing the potential of recycling not just for Apple products but throughout our industry. Austin, Texas is home to our Material Recovery Lab ("MRL") and an advanced recovery center, which develop and operationalize new recycling technologies and processes that maximize the recovery of key materials

during recycling. The techniques developed at the MRL are intended to be used at scale in our partners' recycling and material processing centers around the world. We also operate an asset recovery center in Santa Clara Valley, California, and work with best-in-class recyclers capable of recovering materials at high rates with the best environmental and safety outcomes.

### Zero waste

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Apple is committed to eliminating waste at every stage of the product lifecycle, from the time a product is designed and manufactured to the time it's ultimately recycled. Through our Zero Waste program, our suppliers are required to implement a plan for identifying waste, develop a method for quantifying and monitoring their landfill diversion rate, set waste reduction goals, and maintain progress toward sending zero waste to landfill.

We also provide support for our suppliers in verifying their zero waste efforts, including through UL Solutions, a leading industry certification body that requires at least 90 percent diversion of waste through methods other than waste-to-energy. To date, more than 230 of our supplier facilities are Zero Waste-assured by UL Solutions, including all final assembly sites for major Apple products. Achieving this level of performance across our supply chain requires innovative new materials and recycling strategies to address the infrastructure and technology challenges we face with waste reduction today.

#### Water

Access to clean, safe water is a basic human right. Our supply chain accounts for 99 percent of Apple's total water footprint, and we believe we have a responsibility and an opportunity to engage our suppliers to protect and preserve this critical resource for future generations.

Our industry-leading Clean Water Program helps our suppliers become stewards of the water resources where they operate by conserving water, promoting water reuse, and preventing water pollution within our supply chain. We also work to understand local water needs through partnerships with organizations, like the Alliance for Water Stewardship ("AWS"), to improve the sustainability of local water resources, and promote responsible water stewardship across social, cultural, environmental, and economic criteria. Together with our partners, we're providing our suppliers and the broader industry with tools and resources to help them address water use more holistically, creating positive impact across supplier facilities and the water basins where they operate.

#### Smarter chemistry

The safety of the people in our supply chain, our customers, and the planet is our top priority, which is why we help our suppliers select safer chemicals to use in our products and manufacturing processes. Our industry-leading work to prioritize the use of safer alternative chemicals at supplier facilities helps protect the health and safety of people across our supply chain.

Our approach to environmental stewardship takes into consideration our entire business, including our corporate operations and supply chain. In addition to this brief summary of our supply chain environmental programs, a comprehensive review of Apple's broader environmental strategy and progress can be found in our 2025 Environmental Progress Report and our Environment website.

# Partnerships

Progress requires collaboration and a shared commitment to upholding the rights of people everywhere. As part of SEDF, we are partnering with a diverse group of stakeholders around the world to uphold our commitment to the people and communities across our supply chain, learn from others' perspectives, and scale innovative solutions. We also work with additional stakeholders to drive our environmental goals and commitments, including Apple 2030. To learn more about our environmental partnerships, see our <u>2025 Environmental Progress Report</u> and our <u>Environment website</u>.



### Alliance for Water Stewardship ("AWS")

Apple was the first electronics company to serve on the AWS board of trustees, and is a member of the AWS Information and Communications Technology sector working group.



### American India Foundation ("AIF")

Apple supports AIF's efforts to empower people from underserved communities in its supplier locations in India with contextualized learning materials and trainings to ensure a skilled and empowered workforce.



### ChemFORWARD

Apple is the Co-design Partner at ChemFORWARD and co-chair of the Technical Advisory Group. Apple also co-launched ChemWorks and CleanScreen — public resources for companies to support the development and use of safer chemicals.



### Council for Adult and Experiential Learning ("CAEL")

Apple supports CAEL's English language trainings and skills development initiatives among supplier employees across the United States.



### **Disability:IN**

Apple supports Disability: IN's efforts to encourage suppliers' employment of talent with disabilities through job mappings and training on disability inclusion in the United States.



### **Enable India**

Apple supports Enable India's efforts in building an ecosystem among Apple suppliers that leads to sustainable inclusion of persons with disabilities in India.



### Green America / Clean Electronics Production Network ("CEPN")

Apple is a founding member of CEPN and serves on its Design Team.



### Fair Wage Network

Apple collaborates with the Fair Wage Network to collect and map wage data in key countries and regions across our supply chain.



### Fund for Global Human Rights ("the Fund")

Apple supports the Fund and its network of frontline human rights and environmental defenders working on a range of issues, including economic and social rights, inclusive economic growth, judicial advocacy, environmental justice, rule of law, health and safety, and fair compensation.

### : goodbit

### Goodbit

Apple collaborates with Goodbit to deliver rapid, engaging training for Apple supplier employees, helping workers better understand and apply their labor rights.



### Harvard Humanitarian Initiative ("HHI")

Apple has supported research through the Harvard Humanitarian Initiative on the impact of due diligence programs in mining communities. Through the Public-Private Alliance for Responsible Minerals Trade ("PPA"), Apple is also supporting HHI in the development of a monitoring and evaluation framework and project selection criteria for future expansion of the Congo Power initiative.



Institute of Public & Environmental Affairs ("IPE")

Apple was the first recipient of IPE's Green Supply Chain CITI Master.



### International Labour Organization ("ILO")

Apple serves on the steering committee of the ILO Global Business Network on Forced Labour, and works with the ILO on a number of projects, including those related to rights training, responsible recruitment, freedom of association and collective bargaining, and advancing worker voice.



### International Organization for Migration ("IOM")

Apple partners with IOM to develop tools and resources, and deliver trainings to Apple suppliers on responsible labor recruitment due diligence best practices. Apple also partners with IOM to support climate resiliency among migrant populations in vulnerable areas.

LBMA

### London Bullion Market Association ("LBMA")

Apple is a member of the LBMA and works with them to strengthen gold industry standards.



### Organization for Economic Co-operation and Development ("OECD")

Apple aligns its responsible sourcing standards with the OECD Due Diligence Guidance and serves on the OECD's Multi-stakeholder Steering Group.



### Pact

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



### IMPACT

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



### Levin Sources

Apple has engaged Levin Sources' expertise on numerous strategic discussions related to gathering feedback on our human rights and environmental due diligence and responsible materials sourcing programs.



### Public-Private Alliance for Responsible Minerals Trade ("PPA")

Apple serves on the PPA's Governance Committee and collaborates regularly with members on issues related to responsible sourcing, including working to understand barriers, testing and amplifying promising solutions, and promoting alignment across key stakeholder groups.

### ₩ Quizrr®

### Quizrr

Apple works with Quizrr to develop and scale localized training content via a digital platform for supplier employees and management, and their labor agencies. The training covers a range of topics, including responsible recruitment practices, waste management, health and well-being, and workplace rights.

### RESOLVE

### RESOLVE

Apple funds the Regeneration project, a social enterprise focused on processing waste material from legacy mine sites to restore natural environments and support rehabilitation and biodiversity. Regeneration is an expansion of an earlier project, Salmon Gold, which was a partnership between Apple, RESOLVE, and Tiffany & Co.



### Responsible Business Alliance ("RBA")

As a member of the RBA, Apple collaborates with the organization and its member companies throughout the year on initiatives spanning the entirety of the work we do across our supply chain. Apple has served in several leadership capacities, including as a founding member of the Responsible Labor Initiative ("RLI"), and formerly serving on its steering committee. Apple is also a member of the Responsible Minerals Initiative ("RMI") and sits on the Senior Executive Advisory Council. In addition, Apple engages in a number of RMI working groups and projects to help accelerate traceability and continuous improvement of due diligence in the upstream of the supply chain.



### **Thomson Reuters Foundation**

Apple is a former recipient of Thomson Reuters Foundation's Stop Slavery Award, and supports TrustLaw, the world's largest pro bono network, which provides legal support, research, training, tools, and resources for NGOs and social enterprises at the frontlines of social change.



### Working Capital Innovation Fund (incubated by Humanity United)

Apple is a founding member of and investor in the Working Capital Innovation Fund, an early-stage venture fund that invests in scalable supply chain tools to meet the need for more transparent and ethical supply chains.



### SCORE Academy

Apple supports SCORE Academy's initiative to facilitate supplier employees' participation in workplace improvement solutions in the areas of health and safety, grievance and communications systems, working conditions, and benefits.







# 2. How we work with suppliers

We believe business can and should be a force for good. This belief underscores every decision we make — from the products we create, to the way we make them, and the way we work with people across our supply chain.

We design our products in California and work with a global network of suppliers to bring them to life. Our supply chain spans more than 50 countries and regions, with millions of people and thousands of innovative businesses working together to build the best products and services.

# The Apple supply chain

Everything that goes into designing, building, delivering, supporting, and recycling Apple products and services is part of our global supply chain. This includes companies that provide raw materials to our suppliers, our manufacturing and recycling partners, and the companies that support our logistics, content and support services, and retail operations.



# High standards. Applied everywhere.

The Apple Supplier Code of Conduct ("Code") and Supplier Responsibility Standards ("Standards") outline our requirements for our supply chain in the areas of labor and human rights, health and safety, environment, ethics, and management systems. Since 2005, the Code and Standards have been evaluated and updated regularly, published on our website, and communicated to our suppliers via SupplierCare, our supplier communication platform, in 18 languages.

Learn more about our policies and standards on page 22.



# How we work with suppliers

Our responsibility to people and the planet begins before we start building a product, which is why we take a continuous and holistic approach to how we work with suppliers. This approach starts with selecting suppliers that can meet our high standards, and includes consistent and intentional engagement with our suppliers, which continues throughout the entirety of our business relationship with them.

While this includes regular, rigorous assessments and holding suppliers accountable when issues arise in their facilities, we go well beyond these moments in time to understand our suppliers' performance in upholding our standards. We invest heavily in capability building, on-demand training, and the development of tools, resources, and expertise, which we make available to our suppliers to support their continual improvement.







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# 3. Human rights at the foundation

We believe that all people — wherever they are in the world — deserve to be treated with dignity and respect. Respect for human rights is the foundation of our commitment, and influences how we make every decision. This includes working directly 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.

We embed respect for internationally recognized human rights across every level of our business and supply chain. The following sections of this report outline the policies, programs, and activities we undertake as we work to identify, mitigate, and remediate salient human rights risks in our supply chain. This is done in full alignment with the United Nations Guiding Principles on Business and Human Rights ("UNGPs"). By embedding respect for human rights throughout our supply chain, we work to proactively mitigate risks and identify opportunities to improve the workplace experience for supplier employees.

### 3.1 Our policies and standards

Our commitment begins with setting high standards that respect globally recognized international labor and human rights. We are also dedicated to continuous improvement, which includes regularly updating our policies and standards to raise the bar for our suppliers, and to align with evolving legal and regulatory requirements.

### Human Rights Policy

The Apple Human Rights Policy governs how we treat everyone - from our customers and teams, to our business partners and communities, to people at every level of

our supply chain. The policy outlines our commitment to respect internationally recognized human rights in our business operations, as set out in the Universal Declaration of Human Rights; the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights (together, the "International Bill of Human Rights"); and the ILO's Declaration on Fundamental Principles and Rights at Work. Our approach is based on the UNGPs.

### **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. Apple expects its suppliers, contractors, consultants, and other business partners to follow these principles when providing goods and services to Apple or acting on our behalf.

### Apple Anti-Modern Slavery Policy

Apple's Anti-Modern Slavery Policy covers our strict prohibition against any form of modern slavery, including forced labor and human trafficking, in our supply chain,

third-party channels, and business operations. This applies to all persons working for Apple and its subsidiaries and affiliates, including all directors, officers, and employees of Apple entities. It requires all third parties to abide by Apple's Supplier Code of Conduct and Third Party Code of Conduct. Apple also complies with applicable U.S. Federal Acquisition Regulations.

### **Global Whistleblowing Policy**

Apple's Global Whistleblowing Policy applies to individuals who have a business relationship with Apple and have concerns about possible wrongdoing that involves Apple, including supplier employees as applicable. 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. This includes Apple's external helpline, EthicsPoint, which provides the option of anonymous reporting, where permissible under applicable laws. Employees are expected and encouraged to raise concerns about violations of Apple's Business Conduct Policy, other Apple policies, and legal and regulatory requirements.

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

Developed in 2005, the Apple Code and Standards outline our strict requirements - in the areas of labor and human rights, health and safety, environment, ethics, and management systems - that suppliers must contractually adhere to in order to do business with Apple. 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.

### Learn more about how we drive standards and accountability with sub-tier suppliers on page 37.

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 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("OECD Due Diligence Guidance"); and the 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 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.

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.

### Third Party Code of Conduct

Apple's <u>Third Party Code of Conduct</u> ("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 parties not covered by our Supplier Code of Conduct. The Third Party Code contains 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.

### **3.2 Management and oversight of Apple's human rights commitments**

Our corporate governance is designed to facilitate principled actions, effective decision-making, and appropriate monitoring of both compliance and performance. Responsibility for upholding human rights is embedded across our business, with broad collaboration driving standards and programs to support the people in our supply chain.

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; Retail; AppleCare; and Services – work collaboratively and consult with Apple's senior leadership to review progress and update ongoing strategies to reflect 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 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.

### 3.3 Communicating our commitments to stakeholders

We regularly review and communicate our commitment to human rights, as well as our policies and requirements to our employees, suppliers, and other third parties as we work to embed respect for human rights through every part of our business.

### **Communicating to Apple employees**

All employees are required to complete annual Business Conduct training, which covers topics such as workplace behavior, 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 Code and Standards, as well as our process for reporting concerns. Employees are responsible for reporting anything that might be considered a violation of any law or Apple policy, including those related to human rights, per our Business Conduct Policy. Employees are reminded of this responsibility during their annual training.

Starting in 2023, we began offering a human rights fundamentals course through Apple University, Apple's internal education and training organization. The course gives Apple employees an additional opportunity to dive deeper into the philosophy, history, and practice of human rights, as well as Apple's commitment and work to respect human rights.

### **Communicating to suppliers**

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

Before we start working with a new supplier, we take extensive measures to raise their awareness of, and assess their capabilities in upholding, all the requirements outlined in our Code and Standards. Apple experts provide new suppliers guidance in the areas of responsible labor recruitment, labor and human rights policies and procedures, and worker grievance system requirements, among others.

We also provide existing suppliers with ongoing training and capability building focused on the best practices needed to continually 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 tools through tailored coaching.

Learn more about supplier capability building on **page 42**.

### Reporting publicly on our progress

Transparency about any risks in our supply chain — and any steps we take to mitigate and remediate them — is critical to evaluate our progress, enable consistent improvement, and hold ourselves and our suppliers accountable.

In addition to this annual progress report, we publish a number of resources outlining our commitment to respect human rights. We provide transparency on these efforts through our public website, including our Human Rights Policy, as well as our Code and Standards. Our website also features information about our suppliers' performance in meeting our requirements, as well as the Apple Supplier List — a list of the suppliers representing at least 98 percent of our direct spend for materials, manufacturing, and assembly of our products worldwide.

As part of our responsible materials sourcing efforts, we also publish:

- <u>Conflict Minerals Report</u>: describes our work to responsibly source 3TG materials in line with U.S. Securities and Exchange Commission ("SEC") requirements.
- <u>Material Impact Profiles</u>: detail how we have prioritized the materials in our products based on their environmental, social, and supply chain impacts. The prioritized list of materials represents those that we

will first transition to recycled or renewable content, driving toward our goal of using 100 percent recycled or renewable materials in our products.

- <u>Regulated Substances Specification ("RSS")</u>: outlines our requirements and restrictions on the use of certain chemicals in our products, packaging, and manufacturing processes.
- <u>Smelter and Refiner List</u>: identifies smelters and refiners of 3TG, lithium, and cobalt in our supply chain.

### 3.4 Worker rights awareness

We require all suppliers to train their employees on workplace 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. We review and assess the training our suppliers provide to verify they meet all necessary criteria. Since 2008, more than 30 million people have been trained by our suppliers on their workplace rights.

The workplace experience of supplier employees is at the center of these efforts. Through SEDF, we continue to develop and scale tools to support workers in being even better educated on their rights. This includes utilizing leading educational technology platforms to deliver trainings designed to help people across the supply chain understand their rights and maximize the retention of the information they receive. From the outset, our digital worker rights training was co-designed with supplier employees, with content being developed through focus groups and individual interviews. These tools allow for more direct engagement with supplier employees 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 quickly identify topic areas where additional information or support may be needed. Continuous improvements are made to the training content based on direct feedback

from workers and suppliers, as well as the anonymized data results measuring learner knowledge retention. Collectively, these tools have reached more than 1.5 million people in 28 countries and regions since their inception.

### 3.5 Engagement with rights-holders

In alignment with the UNGPs, we engage with rights-holders and stakeholders to help identify risks in our supply chain. This includes proactively listening to rights-holders, and cultivating workplaces where people can speak up if their rights are not being respected. Through anonymous interviews, workplace satisfaction surveys, grievance channels maintained by Apple and our suppliers, as well as upstream accountability mechanisms, we engage with supplier employees, community members, and other rights-holders across every level of our supply chain.

As part of our Code and Standards, we require our suppliers to implement systems to collect feedback from, and identify the needs of, their employees. This often includes feedback or concerns related to wages and benefits, workplace conditions, healthcare, employee relations, living conditions, health and safety, 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. In addition to addressing the feedback we receive from supplier employees, we immediately investigate any allegations we receive, with Apple experts typically onsite within 24 to 48 hours.

We work with suppliers to analyze the feedback and develop action plans to address employees' needs and concerns. This also allows us to better identify and manage emerging labor and human rights risks throughout our supply chain. For instance, we use this information to improve rights training for supplier employees and management, continually strengthen our Code and Standards, and to improve the programs that support these activities.

### Worker voice

We regularly review worker sentiment to identify emerging risks, and to remedy issues before they escalate and impact additional people. We maintain a Worker Voice Dashboard, which is a central repository for reviewing worker sentiment collected through various internal and external channels, including social media, grievance channels at supplier sites, worker interviews, worker surveys, and third-party hotlines. In 2024, we conducted weekly reviews at more than 50 priority supplier sites, employing more than one million supplier employees, through the dashboard's channels. As a result, more than 180 opportunities for improvement were raised and successfully addressed in 2024, including resolving the payment of overdue signing bonuses, improved water supply for dormitory bathrooms and showers, and adjustments to work shifts.

#### Worker interviews

Each year, as part of our supplier assessment process, tens of thousands of confidential 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 2024, we interviewed more than 74,000 supplier employees as part of supplier assessments. In addition, Apple team members will also conduct surprise interviews when they visit supplier facilities during audits, investigations, or ramp monitoring. These conversations happen with no prior notice, no management present, and are completely voluntary and confidential.

With their consent, we follow up with interviewees to confirm they have not experienced any retaliation as a result of their participation in interviews. Last year, more than 37,000 follow-up phone calls were made, and no cases of retaliation were found. 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 how we safeguard our assessment process on page 52.

### Workplace satisfaction surveys

We proactively engage supplier employees through anonymous surveys to understand their overall workplace satisfaction, and help identify and mitigate workplace issues. In 2024, we surveyed more than 563,000 employees at more than 300 facilities across Brazil, Canada, China mainland, Colombia, Costa Rica, Czech Republic, Egypt, India, Indonesia, Jamaica, Japan, Jordan, Malaysia, Mexico, the Philippines, Portugal, Singapore, South Korea, Taiwan, Thailand, Tunisia, the United States, and Vietnam about their workplace experience.

In 2024, more than 7,500 actions were taken, including improving food options at the canteens, improving the efficiency of workplace services (such as badge/uniform replacement or locker repairs/assignment), and providing more parking for electric motor bikes. We also leveraged the results of these surveys to better identify new priority sites for our programs and capability-building efforts, as well as to measure the effectiveness of our programs. We regularly update the surveys based on feedback, which we solicit as part of the questionnaire.

### 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, upstream whistleblower and accountability mechanisms, and third-party hotlines.

Reports of potential issues also come through the grievance mechanisms we make available to all supply chain workers, Apple employees, and the general public, including EthicsPoint, the external multilingual helpline available 24/7 (online or by calling a local, toll-free number), providing the option of anonymous reporting; and the ability to contact Apple directly at any time

and in any language via email and a form on our public website. In 2024, we continued to promote third-party grievance hotlines at 42 supplier sites through the distribution of information cards and flyers, as well as videos, onsite information booths, and posters displayed at participating facilities.

Last year, we received 165 grievance reports, as well as emails and other communications received directly by Apple teams and employees. In 2024, the most frequently reported issues included delayed or missing signing or performance bonuses, issues with vacation or leave approval, employee-management relations, job reassignments, and concerns about dormitory accommodations. All concerns were promptly addressed and resolved with suppliers, and management systems were enhanced to prevent reoccurrence. We also reviewed these cases with other suppliers in relevant regions to prevent issues from escalating into broader risks.

When an issue is raised through these channels, we keep the reporting party informed as to the progress of our investigation, and verify directly with the affected rightsholders that remedy has been made. For example, last year, when we investigated and confirmed insufficient payment to a supplier employee by a labor agency after they resigned their position, not only did our team verify the labor agency's evidence of payment, but also directly contacted the affected supplier employee to confirm the repayment was received.

Learn more about supplier accountability and remedy on page 41.

### Advancing employee-management communication

We work to build the capacity of our suppliers particularly those smaller suppliers that may still be in the early stages of developing their worker voice programs — to improve employee-management communications. Our ongoing partnership with the ILO's Sustaining Competitive and Responsible Enterprises ("SCORE") Academy — a program supporting decent work in global supply chains — directly engages supplier employees at smaller facilities in China in decision-making on workplace issues. This empowers supplier employees to be active participants in improving their workplaces, and encourages openness and dialogue from managers in engaging in these two-way conversations.

The SCORE Academy allows supplier management to collaborate with employees, or their selected representatives, on solutions for workplace issues, such as those related to health and safety, productivity, and harassment prevention. All SCORE-enrolled facilities have established Enterprise Improvement Teams ("EIT") that include management and employee representatives. These teams meet regularly to discuss suggestions from employees, and more than 1,800 actions have been taken as a result of EIT suggestions, including improvements in areas such as occupational health and safety, canteen and dormitory facilities and services, and programs for worker well-being. For suppliers that need additional support, Apple also provides expert resources, guidance for management, and regular facility visits to monitor progress.

### 3.6 Stakeholder engagement

Identifying and mitigating risk in supply chains requires input from a broad range of stakeholders. In addition to our work to engage rights-holders, we identify and address salient risks through consultations with human rights, labor, and environmental experts, including those from governments and UN agencies; expert groups we convene on specialized and emerging human rights topics; discussions with supplier management teams; and reports received from our partners and the public around the world.

These consultations, and our in-depth partnerships with expert groups, are an important part of our commitment to continuous improvement. We utilize the feedback we receive from external stakeholders to identify emerging risks, improve our supply chain programs, and enhance transparency in our public reporting.

In discussions with stakeholders, we share our approach and solicit input on best practices based on the distinct

### Our Code in action

### Taking action on supplier employee concerns

In 2024, as a result of interviews conducted with workers at a supplier facility, we discovered that some individuals hired by the same sub-contracted labor agency did not receive their promised signing bonuses on time. We promptly expanded the investigation and discovered additional supplier employees facing similar issues. We instructed the supplier to take

expertise of each group. The feedback we receive is then integrated into our internal processes and informs our ongoing decision-making.

For example, in 2024, we convened leading human rights experts to share their insights on emerging human rights risks and provide input on our reporting and programs. We have implemented their feedback on a range of key issues in this year's report, including demonstrating continued alignment with the UNGPs, adding more examples to help others understand how we operationalize our standards, as well as more robust explanations of how rights-holder input informs improvements across our suppliers' facilities. We also continue to align our due diligence activities with the UNGPs, which includes implementing additional activities in 2025 to increase rights-holder consultations, such as worker roundtables, as part of risk identification.

### 3.7 Continuous improvement of our human rights due diligence

We are committed to continually raising the bar we, and our suppliers, must meet to respect the rights and dignity of those working across our supply chain. We continue to work with third parties 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. immediate action, including ensuring payment of the overdue bonuses. Additional violations from this same sub-contracted agency were also found, including the charging of recruitment fees, which is strictly prohibited by our Code and Standards. These findings prompted us to require the supplier to terminate the relationship with the labor agency.

Over the last several years, we've worked with The Remedy Project to conduct a human rights impact assessment of our supply chain, and have used the findings to help inform improvements to our policies and human rights due diligence processes. This includes making updates to our Code and Standards, and setting more robust key performance indicators ("KPIs") for our human rights programs and activities. Through this human rights assessment, we've also identified opportunities to increase rights-holder input during the initial development of our programs and processes, and to help measure and evaluate their effectiveness. To support this effort, we expanded our Code to require suppliers to implement systems to proactively collect and respond to workers' feedback, and to communicate regularly on the progress of the actions taken. This builds on existing requirements to make effective grievance channels available for workers to report concerns.

Learn more about how we measure and evaluate our programs on page 43.









# 4. How we drive high standards

Our high standards, and the protections they provide, apply to all of our suppliers regardless of where they operate or what type of goods, services, or labor they provide to Apple. To effectively drive these standards, including those related to labor and human rights, we must first understand what risks exist in our supply chain in order to effectively mitigate and manage them.

### 4.1 Identifying salient human rights risks

We take a strategic 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 UNGPs.

This begins with diligently mapping salient human rights risks across our supply chain, which we have done for many years. Deeply understanding the businesses and relationships that comprise our supply chain is a key first step in assessing performance and identifying risks. We use this information to guide our business decisions, including which suppliers to work with and which materials to use in our products and manufacturing processes, as well as to identify opportunities to continually improve our programs, policies, and processes.

In addition to risk mapping, our robust assessment processes and participation in industry-level, third-party assessments support our human rights due diligence efforts. We leverage predictive analytics, years of audit data, reports and guidance from internal and external experts, plus feedback from third-party hotlines, surveys, and reports from 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 mitigation efforts.

### 4.2 Supplier engagement and assessments

We work with our suppliers from the earliest stages of our business relationship - before we award business - to identify and mitigate risks ahead of a new supplier entering our supply chain. We continue engaging with and assessing our suppliers' performance as long as we continue to do business with them. This includes weekly reviews of our Worker Voice Dashboard, which enables us to visualize trends in supplier employee feedback, and additional monitoring of key data during production ramp periods. In many cases, Apple employees are also frequently onsite at supplier facilities, including some Apple employees who work a majority of the time at our larger supplier facilities. The presence of Apple employees enables us to more quickly identify potential concerns and take action when necessary.

We also require our suppliers to perform periodic evaluations of their suppliers' facilities and operations. This includes the facilities and operations of their

subcontractors and sub-tier suppliers to confirm that they are also complying with our Code and Standards, as well as any applicable laws and regulations. We confirm that this requirement is being met as part of our Code of Conduct assessment process.

Learn more about how we manage salient risks with subtier suppliers on page 37, and our Code of Conduct assessments on page 28.

### Early engagement and due diligence

When considering a prospective supplier, we first work to understand how they do business, as well as their ability to meet our strict requirements for labor, human rights, health and safety, environment, ethics, and management systems.

We perform global, risk-based due diligence and monitoring of prospective suppliers, as well as new facilities belonging to existing suppliers, to check for potential violations of our Code and Standards. This process covers regulatory, legal, and reputational risks, and includes conducting an independent, third-party assessment through a leading compliance management platform. Significant issues found during this process are reviewed and remediated prior to awarding business. However, suppliers must provide and commit to a remediation

plan for all issues identified as a condition of their business award.

### Pre-Facility Readiness Assessments

The Pre-Facility Readiness Assessment ("PFRA") is a top-to-bottom assessment we carry out on manufacturing supplier facilities before business is awarded.

PFRAs are conducted by independent, third-party auditors to capture a baseline view of a supplier's compliance with our Code and Standards. Each PFRA reviews and validates prospective suppliers' performance on hundreds of EHS criteria and labor and human rights requirements through document reviews, site inspections, and worker interviews, looking for any issues that might disqualify them from meeting the requirements necessary to do business with us. If we find risks, we work with the prospective supplier to fully address and correct them before entering into a business relationship.

In 2024, we assessed 125 new or expanding supplier facilities against our Code and Standards. Of those facilities, more than 99 percent were able to meet our requirements after going through the PFRA

process — demonstrating the effectiveness of our early engagement processes, and helping to mitigate risks. Last year, risks identified included issues with wastewater management, fire and machine safety, working hours, wages, benefits, grievance systems, and employment agency management, which were all fully mitigated before the new suppliers or sites entered our supply chain.

#### **Facility Readiness Assessments**

After a supplier completes the PFRA process and is awarded business, we conduct Facility Readiness Assessments ("FRAs") of every facility that will be used for Apple production. FRAs are meant to continue to strengthen new suppliers' awareness of our Code and Standards, and identify risks — such as those related to chemical management, machine safety, waste management, emergency preparedness and response, and occupational health and safety management — prior to beginning the mass production of Apple products.

We pair each new supplier with Apple specialists, and third-party experts when needed, to enhance their ability to meet our requirements before and after mass production begins. This support includes providing training, sharing tools, and helping suppliers develop their capabilities and management systems.

We follow suppliers through the preproduction phase, prior to the beginning of mass production, to confirm they are continuing to meet our standards and requirements, paying special attention to those suppliers that posed — and then corrected — risks during the PFRA process. In 2024, of the 108 supplier facilities that participated in FRAs, all risks that were identified were successfully addressed, and 100 percent of these suppliers later demonstrated improvement during their initial Code of Conduct assessments. Monitoring compliance throughout peak production
 As hiring increases during seasonal peaks — which are
 typical in many industries — we monitor suppliers' labor
 hiring plans, re-confirm they have established strong
 labor and human rights policies and procedures, evaluate
 their employee training, and confirm the implementation
 of grievance systems. We also work with suppliers on
 workforce planning and labor forecasting to help ensure
 they are better prepared for surges in labor demand, and
 can hire the right number of people to fulfill production
 needs — while still complying with our strict labor and
 human rights standards, including those related to
 working hours, wages, and health and safety.

Hiring practices, particularly those involving TPEAs, are a key area of focus during our onsite monitoring visits and the focused audits we conduct during seasonal peaks. In 2024, we monitored more than 50 priority supplier facilities as they ramped up production. This included over 200 onsite visits and more than 9,000 worker interviews. In addition, 137 specialized audits were conducted in these key facilities to account for situational risks arising from changes to a facility's operations. We also collected worker feedback via anonymous surveys during peak production periods to identify compliance and operational risks, surveying more than 180,000 workers in 2024. As a result of these activities, more than 300 improvements were made, including those related to signing bonuses, managerial communications and feedback channels, wages, and fire safety.

#### Learn more about specialized audits on page 29.

As labor demand rises, we also focus on populations of supplier employees that may be subject to additional risks. One such group is students, who may seek employment to satisfy vocational school or apprenticeship requirements, and may be vulnerable to recruitment by employers or labor agents that do not give due consideration to their educational goals, as well as international labor requirements. To protect against this, our Code and Standards 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.

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. We also have a strong review and approval process in place for suppliers who run student programs. Suppliers must apply in advance before engaging with educational institutions to enable the proper management of education programs for apprentices, interns, and other students. This includes 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.

### Our Code in action

### Supporting supplier employees during changes in production volume

In 2024, a supplier planned to roll out workforce restructuring across all of their sites just before a peak production period. The restructuring would mean potential changes to supplier employees' positions, job levels, and benefits. Recognizing the potential impact to the supplier's employees, we partnered with the supplier's management team to review their plans. We also worked with the supplier to review and improve their job and compensation evaluation to help achieve a fair transition for supplier employees into their new roles, and to establish additional opportunities for

### **Code of Conduct assessments**

Apple Supplier Code of Conduct assessments are audits that help us identify risks and gaps in compliance with our Code and Standards. 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.

We select suppliers for these assessments based on a number of factors, including geographic location, the materials and processes they use or produce, previous assessment performance, planned spend with the supplier, and worker demographics. Since 2007, our assessments have covered approximately 93 percent of our direct manufacturing spend.

worker-management communication. The supplier also launched various supporting programs and resources for affected workers, as well as a process to minimize and remedy any loss of payment or bonuses as a result of the transition. These preemptive actions created a smooth transition for supplier employees whose wages and benefits were guaranteed without impact.

Learn more about our work on responsible labor recruitment on page 30.
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 industry-wide standards of the RBA. While third-party firms conduct these independent assessments, Apple employees frequently accompany auditors during these assessments to verify that our protocol is being followed and the auditors do not experience interference.

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.

In the 2024 reporting period, we conducted 893 independent, third-party assessments that focused on the requirements of our Code and Standards. In addition to standard Code assessments, this category also includes:

#### Unannounced assessments and investigations

Every year, we conduct unannounced audits, investigations, and visits to investigate supplier employees' concerns, reports from non-governmental organizations ("NGOs"), media, and civil society, and to verify potential risks identified through predictive analytics. We may also conduct unannounced assessments to confirm that necessary changes have been made following the discovery of violations of our Code. In 2024, 203 unannounced assessments — where the supplier facility was given zero advance notice of our arrival — were conducted globally.

#### Industry-validated assessments

In addition to assessments of our own production lines conducted by third-party auditors, we require many of our suppliers to 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 entire operations, including — but also beyond — Apple production lines. VAPs help to confirm that our standards are being upheld across the entirety of a supplier's facility and operations, and provide insight on opportunities for overall improvement. Last year, a total of 100 VAP assessments were completed at Apple supplier sites. As we do with any assessment, we require our suppliers to correct any noncompliance issues, and work directly with them following our standard Corrective Action Plan ("CAP") and Corrective Action Verification ("CAV") processes.

Learn more about our CAP and CAV processes on page 41.

#### Material processor audits

While Apple does not source primary material directly from mine sites, we maintain strict standards for the responsible sourcing of the materials in our products, whether primary or recycled. In 2024, 100 percent of the identified 3TG, cobalt, and lithium smelters and refiners in our supply chain participated in third-party assessments to verify compliance with our standards. This helped identify social, environmental, human rights, and governance risks deeper in our supply chain, aligned with the OECD Due Diligence Guidance 5-Step Framework. 2024 marked 10 consecutive years of 100 percent participation in thirdparty audits for 3TG, nine consecutive years for cobalt, and five consecutive years for lithium.

We also verify our recyclers' compliance with our Code and Standards through independent, third-party assessments, evaluating 112 recycler sites in 2024. 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.

Learn more about our approach to the responsible sourcing of materials on page 37.

#### Specialized audits

In addition to our annual Code of Conduct assessments, our suppliers, their labor agencies, and other sub-tier suppliers may receive specialized audits with a focus on a particular issue or risk factor, to look at recent changes to a facility's operations, or in response to an allegation. Most of these audits are unannounced, meaning a supplier is given no prior notice ahead of our arrival.

While annual Code of Conduct assessments cover a wide range of compliance categories, specialized audits provide a deeper review of particular areas, during which we are able to target specific risks, such as wages, working hours, machine safety, fire safety, and wastewater treatment. Auditors work with individuals that have expertise in areas such as specialized equipment, technical procedures, new technologies, or complex labor practices. In addition to specialized audits, we also conduct focused audits to assess changes to a facility's operations and ensure they are still in compliance with our standards. These changes can include adjustments in production cycles, demand changes, and various operational needs, such as significant workforce expansion, or updates to production areas and processes.

In 2024, we conducted 137 specialized audits. As a result, more than 1,000 issues were identified and mitigated on operational areas, including improper protection against electrical hazards, insufficient machine guarding, and delayed payment of bonuses by TPEAs.

#### **Environment audits**

In addition to the environment-focused requirements that are audited as part of Code of Conduct assessments, we require our suppliers to conduct targeted audits to assess their progress toward our environmental goals, and to verify data that is essential to measuring this progress

#### These include:

#### **Renewable energy audits**

We require suppliers to set renewable energy use targets and make progress aligned with our Apple 2030 goal to be carbon neutral for our entire carbon footprint by 2030. As part of renewable energy audits, we validate the electricity usage reported by suppliers, their methodology for calculating their Apple production footprint, and all renewable energy procurement documentation. In 2024, we conducted 121 such audits in 12 countries and regions.

#### **Clean Water Program assessments**

Our Clean Water Program supports suppliers in implementing practices to responsibly and efficiently leverage the water resources in the areas where they operate. The program is encouraged for all suppliers, but we require high water-using suppliers operating in high water-stressed areas to join. As part of the onboarding process for the Clean Water Program, third-party auditors conduct a baseline assessment that goes above and beyond the already strong requirements laid out in our Code and Standards to look at a supplier's performance across four areas: water management, water conservation, wastewater management, and water reuse. The supplier is then assessed against Apple's scorecard, looking at both their implementation of best practices and overall water management performance. We are driving high water-using suppliers in high water-stressed areas to a 50 percent water reuse rate by 2030. The results of these assessments are used to help suppliers develop an action plan to achieve this goal, and track their improvement over time.

In 2024, we onboarded six suppliers located in high waterstress locations into the Clean Water Program. In 2024, we had a total of more than 250 supplier sites engaged in our Clean Water Program.

#### Water Stewardship audits

Once suppliers have demonstrated their onsite water management capabilities through the Clean Water Program, we encourage suppliers to work beyond their facilities to make a positive impact on the broader water basin through international water stewardship frameworks, such as AWS. We provide training, and then work with third-party auditors to certify the facility against the AWS standard, which includes criteria evaluating water governance; sustainable water balance; water quality; and WASH (water, sanitation and hygiene) for all. Suppliers can then receive certification at either the Core, Gold, or Platinum level. In 2024, nine supplier sites (six certificates including a three site group certification) were certified to the AWS standard. Since 2018, Apple has supported 29 site certifications, of which 24 sites have achieved the highest rating of Platinum.

#### Zero Waste verification audits

We work with UL Solutions, the certifying body behind the Zero Waste certification, to implement zero waste standards across our supply chain. We verify suppliers' compliance with the Zero Waste framework, including through the validation of self-reported waste data. We expanded these audits from the initial pilot phase that rolled out in 2023, conducting 121 audits in 12 countries and regions in 2024.

To learn more about our environmental strategy and progress, see our 2025 Environmental Progress Report and our Environment website.

#### 4.3 Managing human rights risks

The information we gather as part of supplier assessments, due diligence across the levels of our supply chain, direct engagement with rights-holders, and work within our industry, inform the continuous work required to mitigate and manage the salient risks we have identified in our supply chain as outlined in the remainder of this section.

#### 4.4 Preventing forced labor

Apple does not tolerate forced labor. We found no instances where people were forced to work in our supply chain in 2024. Given the complexity and size of Apple's supply chain, we remain constantly vigilant about this issue.

Our comprehensive approach to preventing forced labor, developed over the past 15 years, starts with understanding how and where workers are recruited. We use this information to engage directly with everyone involved in a worker's employment journey — including the workers themselves — and build the tools, resources, and partnerships that help us minimize risk and continue to scale impact. Foreign Contract Workers — people who travel between countries to work — are a key consideration in our supply chain. Foreign Contract Workers cross international and regional borders to work, interfacing with several different supply chain actors and organizations along the way. Because of this, while they make up only approximately one percent of the people in our supply chain, this group is more vulnerable to human rights risks such as forced labor.

### 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, and describes how employees and third parties may report violations related to the policy. Apple also complies with applicable U.S. Federal Acquisition Regulations.

Our Code and 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, TPEAs, and protections for Foreign Contract Workers. They apply to all suppliers and sub-tier suppliers, including the labor agencies that our suppliers contract to recruit workers.

In 2023, we introduced a new requirement to our Code and Standards to further protect supplier employees' freedom of movement. Suppliers are only permitted to monitor the location of workers for specific workplace health and safety or security access purposes, such as through the use of employee badges or time clocks. In 2024, we began assessing suppliers to verify their compliance with this new provision, and found no violations.

#### **Debt-bonded labor**

Apple has no tolerance for debt-bonded labor. The ILO defines debt-bonded labor as a person "working for little or no wages because their earnings are retained in part or full to repay an outstanding loan." 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 their contracted labor agencies, we conduct targeted investigations into their hiring processes. We found no instances of debt-bonded labor in our supply chain in 2024.

To further prevent debt-bonded labor, we were among the first companies to go beyond international best practices by prohibiting suppliers from charging any fees connected to their recruitment or employment, even if such fees are legal in the supplier's country of operation or the employee's home country. If we discover that any worker has paid recruitment fees to an Apple supplier or labor agency at any point during their employment journey, this is considered a Core Violation<sup>9</sup> of our Code, the most serious level of noncompliance. We require the suppliers to promptly repay the affected workers, and then verify full and timely repayment through an independent, third-party auditor. Since 2008, \$34.5 million in recruitment fees have been repaid to over 37,700 workers by our suppliers as a result of our zero-fees policy.

#### Auditing for evidence of 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 journey regardless of their job, their geographic location, or how they were hired. Looking for evidence of forced labor, as outlined by the ILO Indicators of Forced Labour, is part of every supplier assessment we conduct.

Foreign Contract Workers face additional risks in the process of securing a job. For this reason, we carry out additional specialized audits at facilities where Foreign Contract Workers are employed, or those located in higher-risk areas. In 2024, 37 specialized audits were conducted at supplier facilities employing Foreign Contract Workers in five countries and regions. Each audit includes verification of documents from suppliers and their labor agents, as well as interviews with labor agents and Foreign Contract Workers.

#### Labor recruitment mapping

Mapping our supply chain is a critical step to better understanding the recruitment channels through which workers enter our supply chain — and the potential human rights risks they face — enabling us to better mitigate issues at the earliest stages.

In 2018, we started mapping higher-risk migration corridors using our own data, as well as publicly available information from the ILO and the U.S. State Department's "Trafficking in Persons Report." Higher-risk migration corridors are those countries of origin and destination that Foreign Contract Workers travel between that present particular risks due to geopolitical or socio-economic factors, among others.

Since 2020, we've expanded this work by conducting extensive mapping of the labor agencies in our supply chain to further understand all recruitment channels, regardless of whether suppliers recruit domestic labor or Foreign Contract Workers. This work starts even before a prospective supplier becomes part of our supply chain. Any company that wants to work with Apple is required to complete labor agency mapping as part of our supplier selection due diligence and business award process. Since 2020, we've identified more than 2,800 labor agencies recruiting workers for our suppliers. This has given us unprecedented visibility, and enables us to mitigate forced labor risks right at the source, through increased engagement with our suppliers, their labor agents, and prospective workers.

#### Recruitment due diligence tools and resources

To effectively support workers throughout their recruitment journey, we provide tools, resources, and training to every person along the way, including our suppliers and their labor agents. Our high standards — which go beyond compliance with local laws in many countries and regions — were created so everyone can take an active role in safeguarding labor and human rights during hiring.

To accelerate this effort, we worked with IOM to develop the Apple Responsible Labor Recruitment Due Diligence Toolkit ("Recruitment Toolkit"). The Recruitment Toolkit Ć

is aligned with international frameworks such as the ILO Indicators of Forced Labour and the OECD Due Diligence Guidance for Responsible Business Conduct, and offers a suite of tools and templates for suppliers to complete each step of the OECD Due Diligence Guidance process. This includes sample language that suppliers can use when developing their own policies on responsible labor recruitment, and a risk assessment questionnaire to help identify specific areas of focus to assist in mitigating human rights risks related to labor recruitment. We require labor agencies to use these tools, including a self-assessment checklist and corrective action plan template, to conduct due diligence of their operations.

We also work with leading global organizations to scale our Recruitment Toolkit beyond our own supply chain — and even beyond the electronics manufacturing industry. This has included partnering with IOM and RBA to scale their versions of the Recruitment Toolkit to other industries and even governments, such as those of Canada and Saudi Arabia, which have adopted the toolkit and are training government agencies and recruitment agencies on its contents.

Every year since launching the Recruitment Toolkit, we have solicited feedback from suppliers, labor agents, and other stakeholders, as well as mapped the content against new laws, best practices, and new and emerging regulatory requirements. Additionally, IOM collects feedback from key stakeholders, and RBA does the same with their membership companies, utilizing the feedback received to continually strengthen and evolve the Recruitment Toolkit.

#### Training and capability building

We use the data we collect as part of our supply chain mapping to deliver industry-leading training and capability building to suppliers on responsible labor recruitment, which supports our efforts to prevent forced labor. This data is also used to help verify that all of our requirements related to hiring are met. We also require all prospective suppliers 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. This training is completed before a supplier begins mass production for Apple. In 2024, we delivered more than 100 Recruitment Toolkit training sessions in six languages to over 100 supplier facilities.

We provide customized training to labor agents in our supply chain based on their specific risks and needs. Easy-to-use tools and customized training are unique and critical parts of our work to mitigate human rights risks at the earliest stages of labor recruitment. Many labor agencies are small- or medium-sized businesses that often lack access to the knowledge and resources required to identify and address these risks. In 2024, we trained more than 150 labor agents working for over 80 labor agencies in six countries. Since launch, these trainings have reached facilities employing more than 1.4 million workers and managers globally, including many people who do not work directly on Apple business, thereby furthering the reach of this effort beyond our supply chain.

We require our suppliers to provide all of their employees training on their workplace rights as they pertain to forced labor. For Foreign Contract Workers specifically, our Code and Standards require that they receive pre-departure training in their country of origin, onboarding training upon arrival in their destination country, as well as regular refresher training. This training includes requirements around fees and expenses related to recruitment and ongoing employment, relevant laws and regulations, and other protections provided under our Code and Standards. In addition, our Code and Standards require TPEAs in our supply chain to understand, and verify, that the onboarding experience and processes for the workers they employ meet Apple's standards.

Learn more about worker rights awareness on page 24.

### 4.5 Respecting rights related to freedom of association and collective bargaining

Our Code and Standards align with the ILO's Core 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.

Suppliers are required to have written policies on freedom of association, and to accommodate 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 are restricted under law, suppliers are prohibited from obstructing alternative legal means for their employees to associate and bargain collectively, such as worker committees.

We look for evidence of discrimination or retaliation related to freedom of association and collective bargaining as part of every assessment we conduct. These assessments also include confidential interviews with workers. In 2024, over 500 facilities in 32 countries and regions employed unionized workers, and more than 350 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 make workers aware of the protections provided by our Code and Standards on this topic. Our Code and Standards also require suppliers to implement training programs and mechanisms to build the capacity of their managers to engage with workers in a constructive, professional, and transparent manner. This includes having documented processes to communicate with workers, or their elected representatives, during labor recruitment and onboarding, in relation to health and safety management in the workplace, and in the design and development of grievance mechanisms.

Learn more about worker rights awareness on page 24, and employee-management communication on page 25.

#### Our Code in action

#### **Requiring fair hiring practices**

In May 2024, we received allegations of labor agencies recruiting workers for Apple suppliers excluding married women from their hiring processes, which is a violation of our Code and Standards. As we do with any allegation raised in our supply chain, we promptly investigated the issue, including conducting audits of the involved suppliers, interviewing their employees, and reviewing hiring notices and job descriptions posted on social media.

Our investigation found that, while the labor agencies were hiring married women, certain policies and exceptions were being practiced inconsistently when it came to customary metal jewelry worn by some supplier employees. Apple's supplier requirements include a security policy governing the presence of metal in supplier facilities, which requires supplier employees to "wear metal-free clothing" in certain production areas. However, exceptions are allowed for medical, religious, and/or customary reasons. To correct the issue, and prevent similar incidences in the future, we took additional measures to help ensure all suppliers understand our requirements and are complying with them accordingly:

- Issued a communication to suppliers reiterating our requirements related to non-discriminatory hiring practices, and the measures suppliers should have in place for handling exemptions to the metal-free security requirements
- Increased monitoring of hiring notices and job descriptions, and conducted additional audits
- Updated language in our security policy to specify exceptions to the metal-free policy, and conducted awareness training for Apple leaders who work with suppliers

### 4.6 Upholding anti-discrimination in hiring and employment

Apple's extensive global supply chain includes workers from over 50 different countries and regions, and is made up of people from nearly every walk of life. This is why 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.

We look for evidence of discrimination 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, and take action to prevent the issue from happening again.

We also take action to make workplaces in our supply chain more inclusive. Our Vocational Education for Persons with Disabilities program works with suppliers to provide employment and professional development opportunities in our supply chain for persons with disabilities, as well as to improve safety, accessibility, and inclusivity practices in supplier facilities. The program provides employment opportunities and workplace training to people with disabilities, as well as inclusion training for managers and their peers to help them support their coworkers.

The program includes a bi-monthly capability-building program for more than 150 managers at 55 supplier sites. In addition, industrial engineers at participating facilities are taught how to design systems and layouts that create a more welcoming, comfortable workplace for all workers. Since its launch in 2022 in China mainland, the program has benefited more than 18,000 workers, has recently expanded to a key supplier in India, and will be expanding to the U.S. in 2025.

#### 4.7 Preventing underage labor

There have been no cases of underage labor at any of our supplier sites since 2019. Varying laws, cultural norms, and socio-economic factors that are present in countries where we operate mean this issue remains a salient risk in our supply chain. However, over the last decade, the robust systems we have put into place to manage this risk — including very strict and extensive remediation requirements for noncompliance — have resulted in zero incidences of underage labor in more than five years.

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.

Learn more about our remediation processes on page 46.

# 4.8 Cultivating safe and healthy workplaces

In electronics manufacturing environments, workers may use heavy machinery and chemicals, and therefore face some degree of occupational health and safety risk, which is why this issue remains salient in our supply chain. We take steps to minimize these risks as much as possible before production begins, and require our suppliers to provide and maintain safe workplaces where workers have access to the information and resources they need to stay safe on the job, and feel empowered to speak up if they have concerns. Our Code and Standards and RSS set strict requirements for health and safety. We communicate these to supplier teams through our SupplierCare platform, and train them on best practices and implementation.

Learn more about our policies and standards on page 22, and capability building on page 42.

#### Early supplier engagement

We work to identify and mitigate health and safety risks before we enter into a business relationship with a supplier, as well as before we begin mass production of Apple products. During the PFRA process, we conduct onsite, independent, third-party due diligence looking for risks related to health and safety. Of the 125 facilities that we assessed in 2024, more than 99 percent were able to meet our requirements through their introduction to the PFRA process — mitigating risks to workers before new suppliers began production. After suppliers are awarded Apple business, we continue to review their facilities entering our supply chain for health and safety risks prior to mass production. We follow suppliers as they ramp production to special attention to those that posed — and then remedied — risks during the PFRA process.

Learn more about supplier engagement and assessments on page 27.

#### **Fire safety**

Fire safety and control measures are an important part of creating safe and healthy workplaces for supplier employees. Our Code and Standards have always upheld strong requirements for fire safety as part of our Emergency Response and Preparedness standards. In order to address emerging risks related to our expansion into new geographies, expansion of current production facilities, and the introduction of new production technology, we recently added a new standalone Code provision specifically on fire

Our Code in action

#### Focusing on safety

Our Code and Standards contain rigorous health and safety standards, which include strict standards for addressing incidents, should they occur. Following an incident, we require suppliers to take action to prevent a reoccurrence from happening. Last year, when a fire safety incident occurred at a supplier facility, all affected supplier employees received full medical evaluations, were provided with access to mental health counselors, and were provided with full pay for the time production was down for repairs, even though there were no major injuries. We investigated immediately, analyzing the root causes, verifying that corrective action was taken at the facilities, and that direct remedy was provided to affected workers.

In addition to verifying that prompt and comprehensive actions are taken by our suppliers to correct any noncompliance, we also take these opportunities to continually raise the bar that our suppliers must meet. This means taking steps to improve our own internal standards and processes in order to support our suppliers in preventing incidents like these from occurring in the future and building a culture of safety, including:

- Working to mitigate fire safety risks associated with anodizing and plating processes
- Rolling out additional training to new and existing suppliers
- Forming an internal, cross-functional task force to identify solutions aimed at addressing any possible fire safety risks

safety. The new provision expands upon our existing strict standards that require suppliers to develop and implement a program to increase fire safety during property design, construction, renovation, utilization, and decommissioning, and to perform fire risk assessments with proper emergency response plans to mitigate the risk of harm to life, environment, and property.

In addition, we've taken extra steps to address processes and activities at our supplier facilities that pose a higher risk of fire hazards. One such process is anodizing, which is widely used for coating and coloring metal surfaces, such as the enclosures, or housing, of many of our products. While we've worked for many years to train suppliers who engage in this process on our standards and best practices, as our supply chain expands to new geographies and new suppliers, we've taken additional measures to build the capabilities of suppliers that utilize anodizing processes as early as possible in our business relationship. Since we launched this program in 2023, more than 200 supplier facilities have received training on how to assess and manage potential fire safety risks associated with anodizing, plating, and chemical bath heating processes, including process and equipment safety; auxiliary equipment safety; and general safety management.

#### Machine safety

As we continue to drive innovation in our products, the machines used to build them must also evolve and improve. This 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. This extends to strict safety requirements for the procurement of machinery, which helps ensure newly purchased equipment prioritizes adequate safety features prior to being installed in a supplier facility.

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 required safety inspections. Suppliers are expected to conduct inspections 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. Since we launched the training in 2022, more than 840 supplier facilities across China mainland, India, Japan, Malaysia, New Zealand, Singapore, South Korea, Taiwan, Thailand, United States, and Vietnam have completed our online machine safety training focused on integrated work station and automation safety, including more than 50 new sites in 2024 alone.

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 2024, we focused on new or expanding supplier facilities to identify any emerging risks, completing onsite safety inspections of more than 960 machines at over 60 supplier sites. In addition, 75 supplier sites that we inspected the previous year went on to develop machine safety end-to-end processes. We followed up with these facilities to confirm they completed safety reviews for any new production lines prior to ramp.

#### Learn more about supplier assessments on page 27.

#### **Chemical safety**

Chemicals are required for many of the manufacturing processes used to create and assemble electronics, including Apple products. Our approach to minimizing workers' exposure to chemical hazards follows the 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 requirements 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 identify 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 and Chemical Safety Disclosure 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 due to their composition, or the frequency or volume at which they are used by workers.

This data has helped us identify process chemicals, such as cleaners and degreasers, as some of the most used materials by volume at our product assembly sites, making them prime candidates to be replaced with safer alternatives. As of 2024, we have approved over 200 safer cleaners for use in our supply chain. We restrict the use of cleaners and degreasers not included in our safer cleaners list set forth by the RSS — including at all of our product assembly sites.

#### Driving industry change

We work with other companies and key partners to help make the use of safer materials the industry norm. We collaborate with standard setting bodies, trade associations, and NGOs to develop tools, standards, and mechanisms that drive the identification and adoption of safer chemicals. We then share our learnings and best practices — from the criteria we've set for chemicals to the tools we've developed for our own suppliers — to support industry-wide change.

#### ChemFORWARD

In 2024, we once again partnered with ChemFORWARD — a supply chain collaboration working to advance safer chemistry in product design and manufacturing — to launch CleanScreen. CleanScreen is a cloud-based application designed to help formulators streamline the process for creating safer cleaners and degreasers used by workers during the assembly of electronic products.

#### Clean Electronics Production Network ("CEPN")

We continue to support and serve on the Design Team for CEPN, a multistakeholder initiative working to improve chemical safety in the electronics supply chain.

#### U.S. Environmental Protection Agency ("EPA")

In 2024, for the fourth time in five years, we were recognized by the EPA with their Safer Choice Partner of the Year Award for our work in advancing the use of safer cleaners and degreasers.

#### Responsible Business Alliance ("RBA")

Apple serves as a member of the RBA Chemical Leadership Task Force, which in 2024, supported the launch of the RBA Chemical Management Leadership Program ("CMLP") — a risk-based, voluntary achievement program to advance responsible chemical management in global electronics supply chains. The CMLP was developed to harmonize chemical management due diligence efforts — aligned with OECD Due Diligence Guidance for Responsible Business Conduct and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct — to support continuous improvement through increased transparency and collective action; and to facilitate meaningful stakeholder dialogue to advance worker engagement and industry alignment.

We also supported the RBA in producing their "Practical Guide to Chemical Management Due Diligence in Supply Chains," which highlights industry-leading best practices for safeguarding workers' health and safety, and protecting the environment. In 2023, we partnered with the RBA in developing and launching a new subset of its VAP specifically focused on chemical management. The Specialty Validated Assessment Program on Chemical Management ("SVAP-CM") is a chemical management due diligence evaluation program designed to help companies ensure that their manufacturing suppliers are using best-in-class chemical management systems, controls, and administrative structures that respect human rights. In 2024, we further supported this pilot program by funding SVAP-CM pilot assessments of 10 electronics manufacturing facilities.

For more information about our smarter chemistry work, refer to our 2025 Environmental Progress Report and Environment website.



#### 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. 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 assessments of dormitories, taking into consideration the climate of the location, temperature ranges, common cultural practices in the region (such as the use of bamboo mattresses), and worker feedback to determine proper heating and cooling measures.

We verify suppliers' compliance with our standards related to workers' living conditions as part of every Code of Conduct assessment we conduct, but we also work with suppliers to proactively address their employees' concerns as part of our workplace satisfaction surveys. In 2024, for example, one supplier refurbished dormitory rooms housing more than 55,000 workers, including upgraded bathroom facilities, mattresses, and new air conditioners in each room. Several suppliers made improvements to the food offerings in their employee canteens, as well as adding or improving shared amenities, such as recreation facilities, fitness centers, libraries, and convenience stores on campus.

#### Health education and support

We support our suppliers in cultivating safe and healthy workplaces through supplemental physical and mental health programs that go beyond our supplier requirements. Since 2017, through new employee orientation sessions, Apple Education Hub programs, and other specialized training opportunities, we've helped make health education and resources available to more than 5.8 million people on topics such as nutrition, mental well-being, reproductive health, and early disease detection.

Our health education initiatives are tailored to meet the needs of local supplier employee populations, equipping

them with important information and skills to support them in improving their health and well-being, and in sharing this information with their communities to multiply the impact. We work with local partners around the world to identify topics and skills that are most needed, as well as to conduct impact assessments to continually improve our health education programs based on supplier and employee feedback.

#### Mental health support

Mental well-being is a critical component of overall health and well-being. We work to provide our suppliers the resources they need to support their employees' mental health, including trainings, toolkits, and support from leading experts. This includes supporting people in managing their stress, and training managers in creating a positive work environment for their employees. Training offered as part of the program includes a four-week mindfulness and positive management class delivered to line leaders and production managers. This training was completed by more than 19,000 supplier employees across 46 supplier sites in 2024.

We also encourage our suppliers to set up mental health volunteer systems that promote peer-to-peer mental health support. We've developed resources to help volunteers gain basic knowledge of mental health, and build the skills and emotional competencies needed to support their fellow employees. Volunteers participate in a training program, and a self-reflection system whereby they check-in for 100 consecutive days on a mobile app to take inventory of their emotions and complete activities to promote positive mental health, such as meditation. In 2024, over 35,000 supplier employees took part in this program.

We've also developed a mental health management toolkit to help suppliers provide better mental health support to their employees. The toolkit includes guidance on setting up workplace mental health management and volunteer operations, selecting employee assistance programs, and guidance on how best to support people in moments of crisis.

Learn more about our Apple Education Hub and our Supplier Employee Development Fund on page 8.

#### Our Code in action

# Improving supplier-provided accommodations through direct worker feedback

As we continue to expand our supply chain into new geographies, we work with suppliers to help them create working and living spaces that meet the specific needs of their local worker populations. We do this in consultation with supplier employees to provide opportunities for their feedback to directly influence decisions being made by their employers. In 2024, we partnered with the IOM to conduct two studies related to worker accommodations, where the concept of employer-provided dormitories is still relatively new. The study engaged over 900 supplier employees living in two different supplier-provided dorms. The studies utilized questionnaires, one-on-one interviews, and focus group discussions. The results of the studies were provided to suppliers, and we continue to work with them to implement changes in response to their employees' feedback. These include improvements to how roommates are paired together — prioritizing those that speak the same language over those that work the same shifts in order to improve social cohesion and employee well-being. We continue to regularly conduct these studies where supplier-provided dorms exist — above and beyond the assessments we conduct to confirm compliance with our standards — to help our suppliers to be more responsive to the evolving needs of their employees.

### 4.9 Supporting fair wages and working hours

The scale and scope of Apple's supply chain make it a complex and dynamic operating environment, stretching across more than 50 countries and regions with varying laws and cultural norms. For this reason, we consider working hours and fair wages to be salient risks in our supply chain. We take extensive steps to confirm fair and legal compensation of wages and bonuses based on accurate measures of time worked.

Our Code and Standards restrict the workweek for supplier employees to 60 hours (including overtime), and at least one day off every seven days. Any exceptions to this policy are rare, and require prior authorization from Apple management. Suppliers must pay at least the legal minimum wage in their place of operation, and provide any benefits required by applicable law and contract. In addition, all overtime must be voluntary and paid at a premium rate, in line with applicable laws and regulations. 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-fees policy.

To help verify compliance with our labor standards outside of Code of Conduct assessments, we also require suppliers to report data on employee working hours throughout the year, with some suppliers reporting on a weekly basis. In 2024, we received weekly data on working hours for an average of more than 1.4 million workers across more than 400 facilities, with reporting suppliers maintaining compliance with our standards across 97 percent of workweeks.

#### Assessing wages in our supply chain

Understanding how suppliers pay wages in our supply chain is a critical part of our commitment to upholding peoples' right to be treated with dignity and respect. Our Code and Standards strictly mandate that all wages paid by suppliers must meet local legal requirements and be paid on time. In 2023, we began an exercise to more deeply understand wage distribution by our suppliers, and we have continued to use this data to inform our understanding of the global conversation on "living wage" calculation and methodology.

Building on our work, in 2024, we continued to collaborate with our partners, Fair Wage Network, RBA, and ILO, and added partnerships with the Anker Research Institute and Social Accountability International. We also worked with teams across Apple and our expert partners to leverage insights from more than five public datasets, including Anker Living Wage and Living Income Reference Values, Asia Floor Wage, Fair Wage Network's benchmarks, and Wage Indicator.

In the year ahead, we will continue to engage with key stakeholders as part of the global conversation to encourage consistent definitions, wage calculation methodologies, and publicly available benchmarks to support progress on this issue. We are including more supplier sites and countries across our supply chain as we make progress in developing the tools and processes necessary for our suppliers to make the most impact for their employees. We are also sharing what we've learned with the RBA and others as approaches by industry continue to develop.

#### 4.10 Preventing sexual harassment

Varying laws, attitudes, and cultural and gender norms present in countries where our suppliers operate make sexual harassment a salient risk in our supply chain. Our Code and Standards require that our suppliers provide 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 able to report any incidents of sexual harassment through the anonymous grievance channels we make publicly available, including upstream accountability mechanisms, third-party hotlines, EthicsPoint, or by contacting Apple directly at any time and in any language via email or the form on our public website. Apple will not retaliate against any individual for raising good-faith and genuine concerns under the Global Whistleblowing Policy. Should retaliation be discovered, our Core Violation process would apply (see <u>page 41</u>).

Given the nature of sexual harassment risks, selfreporting by workers is an important vehicle for the identification of these cases. This is why we have invested in further strengthening our worker voice programs and rights training related to this issue. Any cases of sexual harassment are promptly investigated by our team, including a thorough review of the reported details, interviews with facility management, and review of the facility's management systems and practices related to harassment prevention and response.

### Learn more about our engagement with rights-holders on page 24.

We also validate that suppliers take comprehensive actions to address harassment cases, including strict penalties for any offending parties. This could entail immediate dismissal and involvement of authorities, as necessary; enhanced refresher training for all supplier employees to increase awareness and encourage reporting; as well as direct remedy to affected workers, including re-arrangement of work stations, and psychological counseling and support.

Learn more about supplier engagement and assessments on **page 27** and supplier accountability and remedy on **page 41**.

To build the awareness, sensitivity, and capabilities of future managers and leaders at supplier facilities, we developed sexual harassment training for all participants in our Vocational Education Training apprenticeship program. To date, more than 500 supplier employees across five sites have received this training. Sexual harassment awareness and prevention are also core topics in the Leadership Soft Skills training program we offer supplier employees looking to build their leadership capabilities.

# 4.11 Advancing environmental rights as human rights

Environmental rights are human rights. That 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 — as well as the health and safety risks — of those actions and decisions.

Apple 2030 is our commitment to reduce our scope 1, 2, and 3 emissions first — upstream and downstream — by 75 percent before balancing the remaining emissions with highquality carbon removals. Human rights and the environment are inextricably linked. As we transition to more low-carbon and lower resource-intensive business models, we remain committed to doing so in a way that respects and benefits people and communities across our supply chain.

#### Decarbonization

Apple has been carbon neutral for our worldwide corporate operations since 2020, and we have committed to being carbon neutral for our entire carbon footprint by 2030.

To accomplish our goal, we have committed to reducing greenhouse gas emissions by 75 percent compared to our 2015 baseline year.<sup>10</sup> Part of this commitment includes decarbonizing our supply chain and transitioning our suppliers to 100 percent renewable electricity. We are committed to respecting 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.

We are also committed to one day using only recycled or renewable materials in our products and packaging as part of our roadmap to Apple 2030. As we progress toward this goal, we 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.

#### Water

Water is a critical shared resource, and we take a comprehensive approach to water stewardship. This includes respecting the fundamental human right to clean, safe water for workers and the communities where our suppliers operate. We work directly with our suppliers to confirm they have robust policies, are managing their wastewater systems efficiently, and are reducing their overall consumption by reusing wastewater wherever possible. We drive these requirements through our Code and Standards, with specific provisions outlining our expectations for suppliers as they relate to water and wastewater management, stormwater management, and resource consumption management. This also includes provisions related to WASH (water, sanitation, and hygiene) for supplier dormitories and facilities. Suppliers are required to provide access to potable water and clean toilet facilities to their employees, and to regularly test for safety and quality. We verify performance against these requirements during Code of Conduct assessments, as well as audits specifically focused on water stewardship.

We continue our work with global water stewardship organizations, such as 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, 29 of our supplier sites have achieved certification for the AWS Standard, 24 of which have achieved a Platinum rating — the highest score achievable within the AWS framework.

Learn more about our supplier assessments on page 27.

We also go beyond our requirements to support access to water and sanitation in the communities where our suppliers operate. In 2024, we partnered with the NGO Gravity Water to use innovative rainwater harvesting and filtration technology to bring safe water to more than 42,000 students and community members in Vietnam, and enhance the climate resilience of these communities.

Learn more about our work with Gravity Water by visiting <u>Apple newsroom</u>.

#### Community resilience

We are committed to respecting the rights of everyone reached by our supply chain, which includes those workers and communities most vulnerable to the impacts of climate change. This includes involuntary displacement, as a result of extreme weather events.

In 2023, we partnered with IOM to pilot a climate resilience program in a community in the Philippines where many workers hired through our suppliers' labor agencies originate from, and is already being affected by natural disasters. We worked with IOM to enhance the community's resilience against climate change-induced migration, while also providing economic development opportunities. The program, which was designed in consultation with rights-holders and beneficiaries through extensive focus group discussions, works with members of the community — often women — to upskill them in masonry and carpentry so they can maintain typhoon-resilient shelters.

In 2024, when a Category 5 typhoon hit the village where this program was piloted, all of the shelters that were built as part of partnership between IOM and the local government withstood the storm without significant damage, and served as unofficial evacuation sites for nearby neighbors and relatives — sheltering dozens of people in the community and keeping them safe. In addition, participants were able to utilize their new skills from the program to reinforce and prepare their main homes ahead of the storm, avoiding major damage and costly measures to rebuild their homes. Many participants also utilized these skills in the storm's aftermath to help repair damaged schools and other community spaces. With our continued support, IOM is developing a framework based on the learnings from the pilot to help scale to other communities in 2025.

We also continued to support the Congo Power initiative, which was established with the support of Apple and other members of the PPA to deploy renewable electricity systems to civil society and other organizations providing community services to mining communities in the Great Lakes Region of Africa. To learn more about our comprehensive environmental strategy and progress, see our 2025 Environmental Progress Report and our Environment website.

### 4.12 Driving high standards for our sub-tier suppliers

Our Code and Standards, and the protections they provide, apply to all of our suppliers regardless of where they operate or what type of goods, services, or labor they provide to Apple. This includes not only our suppliers, but their subsidiaries and affiliates, as well as any subcontractors and sub-tier suppliers providing goods or services to Apple, or for use in or with Apple products.

Our suppliers are required to perform periodic evaluations of their suppliers' facilities and operations, as well as the facilities and operations of their subcontractors and sub-tier suppliers to confirm that they are also complying with our Code and Standards, as well as any applicable laws and regulations.

We regularly evaluate and verify that our suppliers are conducting this due diligence on their supply chains. This includes verifying that suppliers have policies, management systems, and audit protocols in place for their suppliers, as well as the quality of these systems and policies. We also review their audit reports to spot check their findings, and verify that they have corrected any compliance issues. If we receive grievances from sub-tier suppliers, we work with our suppliers to investigate and correct any findings.

Suppliers are not permitted to have manufacturing operations in, recruit labor directly or indirectly from, or source materials, products, or services directly or indirectly from, regions where comprehensive, independent evaluations cannot be conducted of their compliance with our Code and Standards.

#### **Responsible sourcing of materials**

Although Apple does not source primary material directly from mine sites, our responsible minerals sourcing program includes requirements that apply to all levels of Apple's supply chain. Our goal is to one day use only recycled or renewable materials in our products and packaging. As we make progress toward this ambitious goal, we continue our work to responsibly source all materials that go into our products and packaging, while supporting local organizations that do vital work in and around mining communities.

We conduct human rights and environmental due diligence of primary and recycled materials in alignment with the OECD Due Diligence Guidance and the UNGPs, and are committed to meeting and exceeding the expectations for responsible sourcing of primary and recycled materials outlined in OECD Due Diligence Guidance and other internationally accepted due diligence standards.

Our Responsible Sourcing Standard, part of our Code and Standards, requires suppliers, smelters, refiners, and recyclers in our supply chain to identify and assess a broad range of risks, including social, environmental, and human rights risks. These standards are based on industry best practice and internationally accepted principles, including the UNGPs, the ILO International Labour Standards, and the OECD Due Diligence Guidance. These standards apply to all levels of our supply chain, including traders, suppliers, sub-suppliers, mining companies, and operators of collection points for recycled materials used in Apple products. Suppliers are also required to review reported incidents and public allegations linked to their smelters and refiners, and to participate in 3TG traceability and independent third-party audit programs to mitigate identified risks. In response to reports of escalating regional conflict, as well as smuggling and illegal taxation, in June 2024, Apple issued a notification to its suppliers to cease the sourcing, directly or indirectly, of 3TG for Apple parts and products from the DRC and Rwanda.

See our Conflict Minerals Report to learn more.

#### Mapping our materials supply chain

To drive our high standards deep into our supply chain, we map the smelters and refiners that provide materials to suppliers — a practice we've strengthened over many years. Every year, we publish a list of all identified 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 the smelters and refiners suppliers use for other materials in our products — such as mica, copper, graphite, and nickel — and we evaluate suppliers' supply chain due diligence for compliance with our requirements.

We require all suppliers that use certain high-risk minerals in Apple parts and products to submit industry-standard reports developed by RMI. All suppliers that utilize 3TG for Apple parts and/or products must submit to Apple an industry-standard Conflict Minerals Reporting Template ("CMRT"). For suppliers that use cobalt and mica, they are required to submit an Extended Minerals Reporting Template ("EMRT"). We collect and process data provided by suppliers through their completion of the CMRT and EMRT to map our supply chain to the smelter and refiner level and, to the extent available, to the mining level.

### Learn more by reading our <u>Conflict Minerals Report</u>, and our <u>Smelter and Refiner list</u>.

#### Third-party assessments

Our Code and Standards, including our Responsible Sourcing Standard, require our suppliers to review reported incidents and public allegations involving their materials' supply chains, and to mitigate identified risks. In addition, suppliers must only use or source key materials in our supply chain from smelters, refiners, and recyclers who have completed, or demonstrated progress towards completion of, responsible sourcing audits. For select suppliers that report to Apple the use of 3TG in their parts and products, this may also include working with an independent audit firm to conduct specialized responsible sourcing audits. If we discover our standards are not being met, we provide support to help suppliers complete a corrective action plan, in line with the OECD Due Diligence Guidance framework of progressive improvement, to meet and exceed our requirements within the timeline identified as a result of the assessment. Timelines for corrective actions typically range between 30 and 90 days.

For the tenth consecutive year, 100 percent of the identified smelters and refiners in our supply chain for all applicable Apple products manufactured during the 2024 reporting period participated in an independent third-party conflict minerals audit for 3TG. 100 percent of the identified smelters and refiners for cobalt and lithium — key materials contained in batteries — also participated in third-party assessments, marking nine consecutive years for cobalt and five consecutive years for lithium.

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 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 or refiners are unable or unwilling to meet our standards, we take necessary actions, through our suppliers, to terminate the applicable business relationships. Since 2009, Apple has directed the removal of 203 3TG, 17 cobalt, and nine lithium smelters and refiners from our supply chain.<sup>2</sup>

### Prioritizing materials for recycled and renewable transition

In 2019, we conducted a comprehensive evaluation of the environmental, social, and supply chain impacts of over 45 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 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 any 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 2024.<sup>11</sup>

By the end of 2025, all Apple-designed batteries are targeted to be made with 100 percent recycled cobalt<sup>6</sup>, magnets in Apple products are targeted to use 100 percent recycled rare earth elements,<sup>7</sup> and all Apple-designed printed circuit boards are targeted to use 100 percent recycled tin soldering and gold plating.<sup>8</sup>

In 2024, 76 percent of the cobalt shipped in our products — up from 52 percent in 2023 — came from certified recycled sources on a mass balance basis.

### Applying our standards to recycled and renewable materials

Recycled or renewable materials, while typically more environmentally beneficial than mined materials, still pose certain human rights risks. In recycled materials supply chains, for instance, this risk is often a result of the presence of informal labor. The ILO defines informal labor as "employment that is not registered, regulated, or protected by existing legal or regulatory frameworks," such as waste collectors who recover materials for recycling. Similarly, the recycling of certain materials can require additional health and safety measures, such as increased fire safeguards when working with batteries to recycle certain minerals, including cobalt and lithium.

For this reason, we evaluate each material used in our supply chain individually, and apply the same rigorous responsible sourcing standards, regardless of whether the material is from primary, recycled, or renewable sources. This means tracing the supply chain to its source, to the extent possible, such as a farm for biologically grown materials, or a point of collection for recycled materials. All suppliers, as well as their materials processors, are required to conduct due diligence in accordance with the OECD Due Diligence Guidance and other applicable international standards for all recycled or renewable materials back to the point of origin. Additionally, we may also conduct our own audits for certain high-risk suppliers or materials, such as recycled gold. In 2024, 100 percent of our recycled gold refiners were audited. We also require certification from the RMI's Responsible Minerals Assurance Process or the LBMA's Responsible Gold Program.

#### Due diligence tools, resources, and training

We annually communicate our materials sourcing requirements to our suppliers, and work with them throughout the year to train and provide guidance on our standards and best practices. This includes conducting annual due diligence trainings with suppliers, and providing them access to online training materials that focus on Apple's due diligence expectations and requirements.

We also innovate, develop, and scale tools to strengthen risk management processes deeper in our supply chain. This includes the Risk Readiness Assessment ("RRA"), which is now used by hundreds of companies across industries through RMI. 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.

We also utilize RMI's Material Insights Platform, which is an online industry solution that helps actors in material supply chains strengthen their due diligence and facilitate joint efforts to address sourcing risks. It is designed to promote learning, collaboration, and improved environmental, social, and governance management in mineral supply chains.

For the past four 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 web-based monitoring and evaluation tool that supports users' supply chain due diligence and ability to track their progress in alignment with broader reporting targets and sustainability goals, such as the 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 allows companies to evaluate conditions at the mining level based on these recognized targets.

#### Supporting upstream rights-holders

Supporting local communities and elevating independent voices at the mining level is critical to assessing and remedying risks deeper in our supply chain, and respecting the rights and well-being of those most impacted by mining activities. To do this, we supported the following activities in 2024:

#### Accountability mechanisms

We utilize industry platforms and support grassroots organizations that enable rights-holders to monitor and voice concerns at the mining level. This includes the RMI Grievance Mechanism, a cross-industry platform where allegations concerning minerals supply chains can be anonymously submitted by NGOs, companies, or the public. We also funded a whistleblowing mechanism in the DRC, which enables people in and around mining communities in seven provinces of the DRC to place anonymous voice calls using a toll-free hotline to raise concerns related to mineral extraction, trade, handling, and exporting. In addition, we continue to support local organizations that work directly with rights-holders to identify any emerging risks and issues in mining communities.

#### Rights-awareness training and vocational education

For the eighth year, we supported the international development NGO Pact in equipping local organizations with the tools to deliver rights awareness training to miners, youth, and community officials in ASM communities in the DRC. As part of this work, in 2024, Pact also began transitioning its vocational education program for youth living in mining communities in the Lualaba province of the DRC to a partnership model working together with civil society organizations, government, and other local actors.

#### Supporting human rights and environmental defenders

In 2024, we continued to support human rights and environmental defenders working on the ground in the DRC through the Fund. These groups and individuals work on critical issues, such as 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. We have recently expanded our support to enable more rapid response grants, which the Fund had identified as a need given the escalating issues in the region. In 2024, we also supported the organization's development of a new climate justice strategy, which will be implemented across the organization in 2025.

#### Reliable energy access

The Congo Power initiative was established with the support of Apple and other members of the PPA to deploy renewable electricity systems to civil society and other organizations providing services (such as health and livelihood development) to communities affected by mining in the Great Lakes Region of Africa. In 2024, Apple funded the development of a monitoring and evaluation framework for the program, as well as the development of criteria to aid in the selection of projects most likely to maximize positive impacts aligned with Congo Power's objectives.

#### · Restoration and community investment

We continued to work with the sustainability nonprofit RESOLVE to fund the Regeneration project, which focuses on re-mining and processing waste material from legacy mines to restore natural environments, and support rehabilitation and biodiversity. Regeneration is an expansion of the Salmon Gold project, which we continued to fund and scale with RESOLVE in 2024. The Salmon Gold project works with small-scale miners and Indigenous Peoples in remote regions of the Yukon, Alaska, and British Columbia to support a mining practice that helps restore rivers and streams so that salmon and other fish can thrive. Since RESOLVE first introduced the Salmon Gold project in 2017, the organization has connected local placer miners, environmentalists, and government agencies to mitigate the damage done by historic mining activities.











# 5. Supplier accountability and remedy for rights-holders

Across our supply chain, our primary focus is on eliminating and mitigating potential risks before incidents occur. When we do discover violations of our standards, we take swift action to hold suppliers accountable and confirm effective remedy is provided to rights-holders — and that steps are taken to identify the root cause and prevent the problem from happening again.

#### 5.1 Addressing violations of our standards

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

#### Administrative Noncompliance

This denotes policy-, procedure-, training-, or communicationrelated findings. Examples of administrative noncompliance include:

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

#### Violation

This 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**

This is the most serious violation of our Code and Standards. When a Core Violation is identified, the supplier's CEO 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
- Briberv
- Inadequate safety leadership resulting in systemic failures in safety management

- 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

#### Taking corrective actions

When violations of our Code and Standards are discovered, we require suppliers to promptly implement a plan to correct the problem and provide remedy to affected rights-holders. Once the plan has been implemented, we verify that all corrective actions have been completed to our standards. We call these processes Corrective Action Plans ("CAP") and Corrective Action Verifications ("CAV"), respectively.

As part of the CAP process, the supplier is notified of the issue(s), and required to conduct an analysis to identify the root cause and develop corrective actions. During this time, Apple experts provide suppliers with training on industry best practices and guidance on resolving the identified issues, as well as support to strengthen their management systems and practices to prevent the issue from reoccurring. We require 30-, 60-, and 90-day check-ins to confirm progress is being made, the supplier's questions are being addressed, and that training is 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 management systems have been strengthened to prevent a reoccurrence.

Once we begin engaging with a supplier (even before we sign a contract with them), we believe we have a responsibility to support them in correcting any issues we may find. Our goal is to work hand-in-hand with suppliers to support affected workers and help them improve their

#### Our Code in action

#### Salient risks vs. Core Violations

Salient human rights risks are defined as those rights that have the potential to be the most severely impacted by a company's activities. We monitor, mitigate, and remedy these risks year-round across all of our programs and processes.

In addition to these more systemic salient human rights risks, we also categorize audit findings based on their severity, regardless of whether or not the finding is related to a salient human rights risk. Core Violations ("CVs"), for instance, are areas of noncompliance with our Code and Standards identified specifically through audit findings. These are the most serious level of violation of our Code of Conduct as they pose an imminent threat to people and/or the integrity of our business, meeting one or more of the following criteria:

- Presents an imminent threat to workers' health and/or safety
- Poses an immediate threat to the environment (e.g. illegal dumping of hazardous waste)
- Poses a legal or compliance issue (e.g. incorrect permitting)
- Undermines the integrity of an audit (e.g. intimidation of workers participating in audits, falsification of records, or obstructing third-party auditors' access during an assessment)

While some CVs may be related to our salient human rights risks, not all of them will be. All identified CVs, however, are issues that Apple determines must be addressed immediately. Beyond promptly addressing the CV, 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 as relevant, in line with the UNGPs. operations, rather than remove them from our supply chain. If, however, despite our best efforts to provide support, a supplier is unwilling or unable to remedy violations and improve their operations to meet our requirements, they risk removal from our supply chain. Since 2009, we have directed the removal of 25 manufacturing supplier facilities, as well as 203 3TG, 17 cobalt, and nine lithium smelters and refiners from our supply chain.<sup>2</sup>

#### **Capability building**

As part of the remediation process, we provide suppliers with the tools and expertise they need to resolve issues quickly. We also invest in capability-building efforts year-round to support suppliers in continually improving their management systems and overall ability to meet our increasingly high standards. We identify opportunities for ongoing training and other capability-building efforts by looking at audit results; input from workers via surveys, interviews, and grievance mechanisms; feedback from stakeholders on emerging issues; and evolving industry best practices.

Through SupplierCare, suppliers can collaborate directly with Apple to track their assessment results, develop CAPs for assessment findings, reference best practice resources, and monitor their progress over time. SupplierCare supports capability building by providing on-demand educational content to increase understanding of and compliance with our Code and Standards.

In addition to online resources, Apple deploys onsite experts with robust industry and technical expertise to train and support suppliers in addressing both management and technical issues across a wide range of topics, including:

#### Labor and human rights management

- Labor recruitment management
- Protected class management
- Discipline management
- 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
- 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

Supplier teams work with these experts to make corrective actions in response to instances of noncompliance, as well as to implement general workplace and management improvement measures. In 2024, more than 100 supplier sites received customized support from experts who helped them take the necessary steps to improve their overall performance and their management of a number of labor and EHS topics, including grievance management, machine safety, and fire and electrical safety. On average, these facilities saw their year-over-year overall Code of Conduct assessment scores increase, and their risk management systems improve after receiving customized capability building.

# 5.2 Measuring and evaluating performance of our due diligence process

We regularly evaluate our programs to assess their effectiveness in addressing our salient human rights risks. We also require our suppliers to set their own improvement objectives, targets, and action plans for regular performance monitoring and continuous improvement.

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.

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 real-time information about their effectiveness, allowing us to rapidly update content to more effectively educate supplier employees 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. For instance, feedback solicited from workers as part of our workplace satisfaction surveys helps us improve our programs and processes, as well as continually strengthen our requirements and the training we develop for supplier employees and management. In 2024, we leveraged the feedback we received through these surveys to better identify new priority sites for our mental health program and health and safety training, as well as to measure the effectiveness of these programs for the purposes of continuous improvement.

We extend these efforts to our education and professional development programs for supplier employees, working with leading academic institutions to measure their effectiveness and quality, and to identify opportunities for improvement and expansion of our offerings.

Our Code in action

#### Measuring the impact of digital worker rights training

In 2024, in partnership with an independent third party, we piloted a study to evaluate the effectiveness of one of our digital worker rights training platforms, and identify opportunities for improvement. The study looked at two supplier sites that had engaged more than 20,000 labor agents, managers, and line workers using the digital training. The evaluation was conducted via an online questionnaire, followed by in-person interviews with supplier employees, managers, and labor agencies. The study found a 90-98 percent increase in knowledge related to responsible recruitment topics, workplace practices, and workplace dialogue among workers that were interviewed. Study participants also displayed increased confidence in the subject matter, as well as subsequent behavior changes as a direct result of the training.

Some workers indicated that they are now more diligent about reading their contracts, and feel

more confident in speaking up about issues to their managers and labor agents. Many also reported relaying this information to colleagues, family, and friends. Managers reported that line workers were more diligent about raising issues related to salaries or deductions, and indicated that the training had encouraged them to be more accommodating to workers with particular needs, and to generally create a more collaborative work environment. Labor agents reported incorporating the learnings into their onboarding training, encouraging their recruits to closely read their contracts, and proactively informing prospective workers of Apple's zero-fees policy.

The study also indicated some areas for improvement, including the need for better internet access within the facilities in order for workers to consistently access the training, as well as dedicated time for line managers to participate in the training, which was difficult to arrange due to production schedules.

# How assessments contribute to continuous improvement

Our assessment process is an important part of how we identify and manage salient human rights risks, and plays an important role in how we evaluate the maturity of our suppliers, and the effectiveness of our due diligence process. It also provides us with an additional opportunity to engage directly with workers, and to contextualize all of the information we receive from various stakeholders and due diligence processes.

We evaluate suppliers against more than 500 criteria to verify their compliance with our requirements, and identify areas for improvement. Once assessed, each supplier facility is ranked on a 100-point scale across three categories: labor and human rights, health and safety, and environment. The average number of points received is the facility's composite score for the year, which determines if the supplier falls into the high-, medium-, or low-assessment score category. These categories reflect both the frequency and severity of any issues found during the assessment process, and indicate what type of support or oversight the supplier may need in the coming year.

We do not consider assessments alone to be an adequate due diligence system. Rather, they serve as an indicator of a supplier's overall maturity and ability to meet our high standards — including those related to any salient human rights risks — to help us prioritize our efforts and provide metrics for evaluating whether our programs, processes, and interventions are having an impact. For example, based in part on these findings, we can determine which suppliers require additional assessments or engagement over the year (e.g. specialized audits or training); if there are major trends that require a new process or set of requirements; or if certain capability-building programs are successful.

#### Our 100-point scale for supplier assessment scores



#### High assessment score

- Indicates mature management systems
  and consistent implementation
- Findings include minor and isolated
  Code violations



#### Medium assessment score

- Indicates some management systems may be underdeveloped or implemented inconsistently
- Findings may include major, isolated Code violations and/or numerous minor violations
- May require additional audits, specialized training and/or capability building

#### 2024 average Code of Conduct assessment performance, by evaluation category





#### Low assessment score

- Severely underdeveloped management systems
- Major violations found across a number of Code categories
- Requires additional audits, training, and/or capability building
- Any supplier found to have a Core Violation of our Code, whether during an assessment or at another time during the year, is automatically placed in this category



Environment

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# **Addressing Core Violations**

We review records and other data provided by suppliers as an important part of our assessment and audit protocols, as well as part of our regular business engagement.

This can include payroll records, accounts of working hours, contracts, and records of health and safety inspections. All supplier-provided data is reviewed and validated for completeness and accuracy. If any discrepancies are found, we work with the supplier to determine the nature of the inaccuracy. Any intentional falsification of data is considered to be a Core Violation, the most serious level of violation of our Code of Conduct. Any supplier found to have a Core Violation is automatically placed in the lowassessment score category, requiring additional audits, training and/or capability building.

Of the 10 Core Violations discovered in 2024, nine 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. We are working diligently to address recent increases in falsification findings. Most cases of falsification are related to working hours data, whereby a supplier misrepresents the hours worked by their employees in order to demonstrate compliance with our requirements.

As a result of increased monitoring, as well as very severe consequences for noncompliance — including a probationary period during which a supplier may receive no new projects or new business from Apple, or risk termination of existing business altogether - falsification findings are rarely repeated, indicating that these incidents are typically isolated, and not indicative of broader integrity issues.

Learn more about how we address violations of our standards on page 41.

In order to address this issue, we have implemented the following actions:

- · We collect working hours data on a weekly basis for more than 1.4 million supplier employees.
- · We have enhanced our monitoring and engagement with suppliers from the planning stages prior to mass production through the hiring cycle, monitoring more than 50 supplier facilities as they ramp up production. We also conducted 137 specialized audits, and 74,000 worker interviews in 2024.
- · We continue to build capabilities among suppliers to plan for increased labor needs, and to communicate more proactively with Apple.

Learn more about supplier assessments and mitigating risks during peak production on page 28.

#### Year-over-year Code of Conduct assessment performance



#### **Core Violations over time**

	2020	2021	2022	2023	2024
Environment	3	٠	۰	٥	۰
Falsification	1	9	1	4	9
Underage labor	۰	۰	٠	٥	0
Debt-bonded labor	1	2	۰	٥	•
Health and safety	۰	۰	1	1	1

#### 5.3 Remedy for rights-holders

When violations of our standards are discovered, working with suppliers to provide affected workers with prompt access to effective remedy is a critical part of our accountability and remediation process. 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 of our Code and Standards

The following outlines the remediation processes we have refined over many years for specific violations of our Code and Standards. We require suppliers to provide remedy to rights-holders, in alignment with the UNGPs, whether or not the violation has a specific remediation process:

#### · Payment of recruitment fees

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 worker's 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 auditors are brought in for an in-depth review, and the supplier is required to immediately return the employee to their home safely. The supplier must also present 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.

#### Sexual harassment

Suppliers are required to provide necessary support and assistance — in line with ILO conventions and guidelines — to any victims of physical or sexual assault, sexual harassment, or repeated bullying. This can include involvement by police and immediate dismissal of the offending party, as relevant; enhanced refresher training for all supplier employees to increase awareness and encourage reporting; direct remedy to affected workers, including re-arrangement of work stations, and psychological counseling and support; as well as taking disciplinary action against the offending party.

#### Examples of remedy in 2024

Below are additional 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.

Living conditions

As a direct result of feedback we received from workers about the high temperature in their dorm rooms, we worked with our supplier to ensure air conditioners were installed throughout the living quarters.

#### Discrimination

A job applicant reported age discrimination during their interview process at a supplier site by contacting Apple directly through our public email address. Our team quickly conducted a phone interview with the person to understand the details of their experience, then worked with the supplier to investigate the issue. The investigation confirmed the supplier was in violation of our standards on age discrimination. The supplier immediately remedied the issue by updating their labor recruitment management procedure, taking steps to standardize their interview process, and conducting enhanced trainings for all of their management teams to prevent a reoccurrence of the violation. In addition, the leadership team issued a direct apology to the affected applicant, outlined their plans for improvement, and invited them to interview for future job openings.

#### Sexual harassment

A female worker reported that she had experienced physical and verbal harassment from one of her co-workers on numerous occasions. The issue was immediately investigated, the offending party's employment was terminated, and the worker who experienced the harassment was provided support, including the re-arrangement of their work position and psychological counseling.

#### Payment of wages

At a supplier facility, dozens of workers alleged that they were not sufficiently paid a retention bonus that had been outlined in the supplier's policy. We worked with the supplier to investigate, quickly repay the workers for the unpaid bonuses, and clarify their bonus policy moving forward.









# 6. Supplemental resources

The following section provides supplemental resources that summarize some of the key processes discussed in this report to identify, mitigate, and remediate salient human rights risks, and hold suppliers accountable to our high standards.

- 1. How we hold suppliers accountable  $\rightarrow$
- 2. Preventing forced labor in our supply chain  $\rightarrow$
- 3. How we source materials responsibly  $\rightarrow$
- 4. How we safeguard our assessment process  $\rightarrow$

# How we hold suppliers accountable

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#### We believe business can and should be a force for good. That's why we put people first at every step of our supply chain, and work to hold ourselves and our suppliers accountable to our high standards.

Everything that goes into designing, building, delivering, supporting, and recycling Apple products is part of our global supply chain. This includes thousands of businesses spanning more than 50 countries and regions, and millions of people all over the world. Apple's strict Supplier Code of Conduct and Supplier Responsibility Standards apply to all of our suppliers, regardless of where they are located, or what work they do for Apple. We take a continuous and holistic approach to engaging with suppliers — and it starts before we ever sign a contract. Apple employees are frequently onsite at supplier facilities, including working full-time at some of our larger supplier facilities, which provides additional insight and visibility to our suppliers' operations and management practices.

#### Accountability every step of the journey

We work to hold our suppliers accountable to our high standards at every step of the product lifecycle. Building our products begins with suppliers responsibly sourcing materials, whether they're mined minerals or from recycled or renewable sources. Those materials are processed and then become individual components or parts. Components, such as metal enclosures, printed circuit boards, or cover glass, are sent to product assembly facilities where they are assembled into their finished products and packaged for shipment to customers. Logistics suppliers move and distribute final products directly to customers and retail stores. Content and support services — such as Apple One, AppleCare, Apple TV+, and Apple Fitness+ are also supported by suppliers. Once our devices reach the end of their useful life, they can be sent back to Apple for recycling. We then work with our network of suppliers to disassemble and recover the materials inside — and the cycle begins again.

#### We engage early

Before we award business to a supplier, or begin production, we check for any potential human rights, environmental, or other violations of our supplier requirements. If we decide to award business, we confirm that any issues are corrected prior to work beginning. In 2024, we assessed 125 new or expanding global facilities against our standards.

#### We monitor and support suppliers during peak production

As suppliers prepare to enter their seasonal peak production periods, we monitor their hiring plans, labor and human rights policies and procedures, employee training, and grievance channels. We do this through onsite visits, specialized audits, and collecting worker feedback via anonymous surveys. In 2024, we conducted over 200 onsite visits, and more than 9,000 worker interviews at 58 supplier facilities as they ramped up production.

#### We listen to people in our supply chain

We review worker sentiment on a weekly basis for key supplier sites to identify emerging labor and human rights risks, and address any worker concerns. We collect feedback via social media platforms, internal grievance channels at supplier sites, and third-party hotlines, as well as worker interviews and anonymous surveys we administer to supplier employees. In 2024, we conducted weekly monitoring at more than 50 priority supplier sites, and engaged directly with more than 1.3 million supplier employees.

#### We monitor working hours

We restrict the workweek for supplier employees to 60 hours (including overtime, which must be voluntary), and at least one day off every seven days. Any exceptions to this policy, while rare, require prior authorization from Apple management. To confirm compliance with these standards, we require suppliers to report data on their employees' working hours throughout the year, with certain suppliers required to report on a weekly basis. In 2024, we received weekly data on working hours for an average of 1.4 million workers across more than 400 facilities.

#### We assess our suppliers' performance

We evaluate our suppliers each year against more than 500 criteria — covering labor and human rights, health and safety, environmental protection, management practices, and ethics — to verify their compliance and identify areas for improvement. These assessments are conducted globally by internationally accredited, independent third-party auditing firms, and include management and employee interviews, extensive document reviews, and site walk-throughs. In addition, some suppliers may receive supplemental audits focused on one or more specific issues. These can include working hours compliance, hiring practices, and health and safety, and typically happen in response to particular risk factors, recent changes to a facility's operations, or an allegation. Many of the assessments and visits we conduct each year at supplier facilities are unannounced. This includes investigations into concerns raised directly by supplier employees or the public, potential risks identified by Apple, or to verify the correction of previously identified violations. We promptly investigate any allegations we receive, with Apple experts typically onsite within 24 to 48 hours. In 2024, 893 assessments that focused on the requirements of our Code and Standards were conducted, including 203 unannounced or surprise assessments.

#### We engage in third-party industry assessments

In addition to assessments of our own production lines, we require many of our suppliers to undergo a facility-wide, third-party assessment widely used by the industry called the Responsible Business Alliance's ("RBA") Validated Assessment Program ("VAP"). VAPs evaluate Apple production lines, but also look beyond to ensure a facility is operating in line with internationally accepted standards — even in spaces where they are not making Apple products. As with any assessment we conduct, we require our suppliers to correct any and all non-compliance issues. In 2024, 100 VAP assessments were completed at Apple supplier sites.

#### We correct violations and require remedy to affected workers

If a violation of our standards is discovered, we require suppliers to promptly implement a plan to correct it, and to strengthen their policies and procedures to prevent the issue from reoccurring. We require suppliers to check-in with Apple every 30 days as they go through this process. We also require that suppliers provide remedy to their employees affected by these violations. For the most serious violations, we contact the supplier's CEO and place them immediately on probation until all corrective actions have been taken. Possible consequences of these actions can result in a supplier receiving no new projects or new business from Apple, or even the termination of existing business. Removing a company from our supply chain, however, is considered a last resort, as it does not provide workers with any recourse, and could allow violations to continue.

#### We increase awareness and build capability

To prevent issues from happening in the first place, we work with suppliers to support their continued growth and improvement to help them meet our high, and consistently evolving standards. Through online and in-person training, as well as customized guidance from subject matter experts, we help increase awareness and capabilities related to new requirements, emerging risks, and gaps we've identified. In 2024, more than 100 supplier sites received customized support from subject matter experts, resulting in improved assessment scores.

#### We hold suppliers accountable deeper in our supply chain

Our requirements apply to our entire supply chain, which includes not only our suppliers, but their subsidiaries and affiliates, as well as any subcontractors and sub-tier suppliers providing goods or services to Apple, or for use in or with Apple products. Our suppliers are required to perform periodic evaluations of their suppliers' operations to confirm they are complying with our high standards, and any applicable laws and regulations. We regularly evaluate and verify that our suppliers are conducting these evaluations, then review their audit reports to spot check findings, and verify that they have corrected any compliance issues. If we receive an allegation about a supplier deeper in our supply chain, we work with our suppliers to investigate and correct any violations of our requirements.

#### The Apple Supply Chain



# Preventing forced labor in our supply chain

Apple does not tolerate forced labor. In the 50+ countries and regions where our suppliers operate, teams of experts, including independent third-parties, use industry-leading procedures to help verify that no one is forced to work. Over the past 15 years, we have worked to build a strategic approach to preventing forced labor in our supply chain. This work starts before we sign a contract with a supplier, and is focused on confirming that people's rights are respected throughout the entire employment journey.

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#### Setting high standards

The policies and standards that govern our approach to preventing forced labor in our supply chain include The Apple Human Rights Policy, The Apple Supplier Code of Conduct ("Code"), and Supplier Responsibility Standards ("Standards").

 Aligned with international human rights frameworks

Our requirements align with internationally-recognized human rights frameworks, including those of the International Labour Organization, the United Nations Guiding Principles on Business and Human Rights, and the Organisation for Economic Co-operation and Development

Applied universally

Our strict requirements apply to all suppliers, protecting workers globally regardless of their job, their location, or how they were hired.

- Above and beyond legal requirements
- We go above and beyond legal requirements, including strictly prohibiting the payment of recruitment fees, and the recruitment of labor in regions where we cannot conduct adequate due diligence.
- Constantly evolving

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

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#### Engaging early and often

To address forced labor risks at their roots, our work begins before workers enter our supply chain, and includes direct and ongoing engagement with actors all along the labor recruitment journey.

Deeply understanding our supply chain

Our work begins by using data to identify how and where workers are recruited. This includes mapping high-risk migration corridors, as well as the labor agencies being used globally by our suppliers to hire workers. Since 2020, we've mapped over 2,800 labor agencies back to our suppliers.

- Developing tools for better due diligence The Apple Responsible Labor Recruitment Due Diligence Toolkit ("Recruitment Toolkit"), developed in partnership with the International Organization for Migration ("IOM"), gives suppliers and their labor agencies easy-to-use tools to manage and report data, mitigating forced labor risks from the start of the employment journey.
- Directly engaging workers

All supplier employees are required to receive training on their workplace rights, and any Foreign Contract Workers - those who travel between countries to work — are required to receive pre-departure training in their country of origin, onboarding training upon arrival in their destination country, as well as regular refresher training. Since 2008, more than 30 million people have been trained by our suppliers on their workplace rights. In 2024, we also directly engaged over 1.3 million supplier employees on their workplace experience, including anonymous surveys, confidential interviews, and grievance channel awareness campaigns.

Training suppliers and labor agencies

Engaging directly with our suppliers, and their labor agencies - many of which are small- or medium-sized businesses - is a unique and critical part of our work. We train our direct suppliers and their labor agents on the Responsible Recruitment Toolkit through customized training delivered in partnership with IOM.

#### Holding suppliers accountable

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

Thorough assessments

Our assessments verify compliance with over 500 criteria. These include an extensive document review to confirm that hiring and personnel records are in place and accurate. In addition to specialized forced labor assessments for atrisk suppliers, we also require many suppliers to participate in facility-wide assessments, such as the Responsible Business Alliance's Validated Assessment Program. 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 93 percent of our direct manufacturing spend.

Investigating any concerns, from anywhere

In addition to thoroughly assessing our suppliers' performance in upholding standards, we also receive reports from the press, governments, civil society, people in our supply chain, and the general public. We investigate any allegations we receive and frequently have Apple teams onsite within 24 to 48 hours.

- · Taking swift action and remediation Forced labor in any form is a Core Violation of our requirements. If a Core Violation is discovered, the supplier's Chief Executive Officer 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 2024, across more than 893 Code of Conduct assessments, we found no instances in our supply chain where people were forced to work. 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.



#### Partnering and engaging 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 ("ILO")

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 ("IOM")

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

#### Responsible Business Alliance ("RBA")

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

#### • Fund for Global Human Rights ("the Fund")

Apple partners with the Fund to support grassroots activists as well as human rights and environmental defenders

Since 2007, we have published reports on our efforts to transparently share our progress and challenges. Please visit www.supplychainreports.apple to read the following resources and learn more:

- Conflict Minerals Report
- Smelter and Refiner List
- Apple Supplier List

# How we source materials responsibly

Apple is committed to responsibly sourcing all materials — whether from primary or recycled sources — used in Apple products.

#### Apple Responsible Sourcing Toolbox



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#### We set high standards

Our requirements and due diligence practices are aligned with international standards, including the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's International Labour Standards, and 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.

#### Identifving risks

We require our suppliers to identify and assess a broad range of risks, including social, environmental, and human rights risks for materials used in Apple products. We support this work by training suppliers, and working with others to develop and scale tools to support risk management across their supply chains.

#### Strengthening industry standards

In addition to setting our own rigorous standards, we support the development of industry-wide standards. We participate and serve in leadership capacities on multiple industry associations and initiatives, such as the Responsible Business Alliance and the Responsible Minerals Initiative ("RMI").

#### We map and prioritize materials

Our goal is to one day use only recycled or renewable materials for our products and packaging. We use data to understand the environmental, social, and supply chain impacts of materials used in our supply chain, as well as where those materials are coming from, to drive our strategy.

#### Identifying priority materials

Looking across commonly used mined elements and raw materials, and weighting against the amount of each Apple uses, we've identified 15 priority materials that represent the biggest opportunities for impact across environmental, social, and supply chain criteria: aluminum, cobalt, copper, glass, gold, lithium, paper, plastics, rare earth elements, steel, tantalum, tin, titanium, tungsten, and zinc. These materials accounted for 87 percent of the total product weight shipped to our customers in 2024.

#### Mapping materials used in our products

We map our supply chain to the smelter and refiner level and, to the extent available, to the mining level. We map smelters and refiners that provide tin, tantalum, tungsten, gold ("3TG"), cobalt, and lithium to our suppliers. We also map other materials in our products — such as mica, copper, graphite, and nickel. For biologically grown materials, this can be a farm, or a point of collection for recycled materials.

#### Primary materials

Although Apple does not source primary material directly from mine sites, our responsible minerals sourcing program includes requirements that apply to all levels of Apple's supply chain.

#### We hold suppliers accountable

Every year, we publish a list of all identified 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.

#### Third-party assessments

Suppliers are only permitted to use or source key materials for Apple products from smelters, refiners, and recyclers who have completed, or demonstrated progress towards completion of, responsible sourcing audits. We also work closely with thirdparty audit programs, such as those operated by the RMI and the London Bullion Market Association.

In 2024, 100 percent of the identified 3TG, cobalt, and lithium smelters and refiners in our supply chain participated in third-party audits. If smelters or refiners are unable or unwilling to meet our standards, we take necessary actions, through our suppliers, to terminate the applicable business relationships. Since 2009, Apple has directed the removal of 203 3TG, 17 cobalt, and nine lithium smelters and refiners from our supply chain.<sup>2</sup>

#### Addressing allegations

We take allegations related to our supply chain very seriously - and we expect our suppliers to do the same. We require our suppliers to review and address any incidents reported to them involving their materials supply chains. We provide support to help suppliers complete corrective actions in line with OECD Due Diligence Guidance.

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#### We empower independent voices and local communities

We support industry platforms, such as the RMI Grievance Mechanism, and grassroots organizations that enable people living and working in and around mining communities to voice concerns. We also partner with international development organizations to deliver rights-awareness training to miners, youth, and community officials in mining communities in the Democratic Republic of the Congo ("DRC").

#### Vocational education

For the past eight years, we've supported Pact's vocational education programming that provides mentorship, literacy classes, and career training for mining communities in the DRC.

#### Supporting human rights and environmental defenders

Since 2017, we've partnered with the Fund for Global Human Rights to support human rights and environmental defenders working in the DRC.

#### · Creating access to reliable and renewable energy

Through the Public-Private Alliance for Responsible Minerals Trade, we support the Congo Power initiative, which deploys renewable electricity systems to organizations providing services to mining communities in the Great Lakes Region of Africa.

#### · Environmental restoration and community investment

Since 2017, we've worked with the nonprofit RESOLVE on projects aimed at restoring and rehabilitating ecosystems that have been affected by legacy mining operations. This includes Regeneration, a project focused on re-mining and processing waste material from legacy mines to further restore natural environments and promote biodiversity.

# How we safeguard our assessment process

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#### We take extensive steps to ensure our assessment process is thorough, professional, and carried out with the highest degrees of integrity, transparency, and sensitivity possible for the well-being of supplier employees.

While third-party firms conduct these independent assessments, Apple employees are heavily involved, frequently accompanying auditors during these assessments to verify that our protocol is being followed and the auditors do not experience interference.

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Our assessments are conducted globally.

Apple Code of Conduct assessments, including surprise assessments, are conducted globally. Since 2007, our assessments have covered approximately 93 percent of Apple's direct manufacturing spend. In 2024, 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 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 local language capability so that no language barrier exists between the supplier employee and the auditor.

Retaliation in any form is a Core Violation of our Code, and last year, more than 37,000 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 2024, 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 other concerns about their workplace experience.

#### 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. We also encourage the public to report concerns via our public website. In addition to responding to feedback from supplier employees, we promptly investigate any allegations we receive with Apple experts typically onsite within 24 to 48 hours.

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#### 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.







Logistics, Czech Republic

iPhone assembly, China mainland





# A relentless focus on better.

We believe that business can and should be an innovative force for good. By upholding our values everywhere 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.

Continuous improvement is in Apple's DNA. We continue to work in partnership with our suppliers and stakeholders to uphold our high standards, and our commitment to respect the rights and dignity of the people across our global supply chain.

## Our work continues.

Additional reporting on our programs and progress is available at apple.com/supplychain and apple.com/environment.







# 7. Endnotes

#### **Forward-looking statements**

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 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 statements, which speak only as of the date they are made.

#### Information in this report

This report does not cover all information about our business. References in this report to information should not be interpreted as an indication of the materiality of such information to Apple's financial results or for purposes of U.S. securities laws, or any other laws or requirements, such as potential upcoming requirements under the EU Corporate Sustainability Reporting Directive ("CSRD"), the European Sustainability Reporting Standards ("ESRS") or the EU Corporate Sustainability Due Diligence Directive ("CSDDD"). Additionally, certain terminology used in this report, such as "value chain," "impacts," "risks," "targets" may differ from the terminology used in legal reporting frameworks, including CSRD and CSDDD. Also, any reference in this report to sustainable activities should not be interpreted as an indication of the classification of such activity under the EU Taxonomy Regulation, or any other legal classification framework. The classification under EU Taxonomy Regulation, or any other legal classification framework, is subject to specific criteria and requirements, which may differ from the general references made in this report.

#### **Reporting year**

We track our progress based on Apple's fiscal year. All references to a year throughout the report refer to Apple's fiscal years, unless "calendar year" is specified. Apple's fiscal year is the 52- or 53-week period that ends on the last Saturday of September.

- <sup>1</sup> Apple reports 3TG smelter and refiner assessment information on a calendar year per U.S. Securities and Exchange Commission ("SEC") requirements. See our annual Conflict Minerals Report by visiting our public website.
- <sup>2</sup> The total number of 3TG smelters and refiners directed to be removed from Apple's supply chain since 2009 represents a cumulative count with smelters and refiners only counted once, when first removed from Apple's supply chain. 3TG Smelters and refiners may subsequently re-enter the supply chain if they meet Apple's Code and Responsible Sourcing Standard and other 3TG mineral requirements.
- 3 Apple reports data about the recycled content of its products at different levels of fidelity, based on the level of independent data verification. The bulk of Apple's recycled content data is certified and thus verified by an independent third party. Less than 5 percent of the total mass shipped in Apple products in fiscal year 2023 (FY2023) contains recycled content that is either supplier verified, meaning it has been reported by the supplier and cross-checked by Apple, or supplier reported, meaning it has been reported by the supplier based on production and allocation values. In all cases, Apple defines recycled content in alignment with ISO 14021. We do not currently include industry-average recycled content, which may result in underreporting actual recycled content. Total recycled material shipped in products is driven by product material composition and total sales - as a result, this overall recycled or renewable content percentage may fluctuate based on the number and type of products sold each year.
- <sup>4</sup> These sites have been third-party verified by UL Solutions against the UL 2799 Zero Waste to Landfill Environmental Claim Validation Procedure (ECVP). UL Solutions requires at least 90 percent diversion through methods other than waste-to-energy to achieve Zero Waste to Landfill (Silver: 90–94 percent, Gold: 95–99 percent, and Platinum: 100 percent) designations.
- <sup>5</sup> We plan to reach carbon neutrality beginning with our fiscal year
  2030 (FY2030) carbon footprint.

- <sup>6</sup> Apple's commitment is to use 100 percent recycled cobalt, on a mass balance allocation, in all Apple-designed batteries by the end of calendar year 2025.
- <sup>7</sup> Apple's commitment is to use 100 percent recycled rare earth elements in all magnets by the end of calendar year 2025.
- <sup>8</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 the end of calendar year 2025.
- <sup>9</sup> Core Violations are the most serious level of violation of our Code and Standards. *Learn more about Core Violations on* page 41.
- <sup>10</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>11</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 added titanium to the priority materials list, which, in total, accounts for 87 percent of the total product mass shipped.



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