



2021 Statement on Efforts to Combat Modern Slavery in Our Business and Supply Chains



1. Introduction
2. Apple Anti-Modern Slavery Policies & Programs
3. Evaluating Risks in Our Supply Chain (Verification)
4. Audits in Our Business and Supply Chain
5. Training and Capability-Building
6. Going Beyond: Working Together for Progress
7. Public Reporting
8. Certification
9. Signature



01 | Introduction

Apple's commitment to people and the planet extends across our worldwide supply chain — from manufacturing to services, and across the many places where our suppliers operate.

For nearly 20 years, we have been leading the industry in holding suppliers accountable for the strongest standards of labor and human rights, health and safety, and environmental protection so that the people in our supply chain are safe and treated with respect, and the environment is protected everywhere that Apple products are made.

Apple's global supply chain spans 52 countries, with thousands of suppliers and companies around the world contributing to the process of building our products. We take a very broad view of our supply chain and the responsibility that comes with it. We consider our supply chain to include everything that goes into designing, building, delivering, supporting, and recycling Apple products, as well as our Retail Stores and all of the services and operations that are part of our supply chain ecosystem.

We're committed to conducting business ethically, honestly, and in compliance with applicable laws and regulations. The California Transparency in Supply Chains Act of 2010 requires certain companies to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains for tangible goods offered for sale. The UK Modern Slavery Act 2015 requires certain commercial organizations to prepare and publish a slavery and human trafficking statement for the financial year describing the steps, if any, the organization has taken to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business.

This 2021 Statement on Efforts to Combat Human Trafficking and Modern Slavery in Our Business and Supply Chains (the "2021 Statement") reflects Apple's progress during 2021 and our ongoing efforts to identify, mitigate, prevent, and remedy

human trafficking, slavery, servitude, or forced, compulsory, or involuntary labor, and the Worst Forms of Child Labor (as defined by International Labour Organization ("ILO") standards) in our supply chain and our own operations.

The term "Apple" as used in this 2021 Statement refers collectively to Apple Inc. and its subsidiaries. For the purposes of the UK Modern Slavery Act 2015, this 2021 Statement is made on behalf of Apple Europe Limited, Apple (UK) Limited and Apple Retail UK Limited, whose financial years ended September 25, 2021. This 2021 Statement is also made in compliance with the California Transparency in Supply Chains Act of 2010.



02

Apple Anti-Modern Slavery Policies & Programs

Respect for human rights shapes how we make our products and services. Across our supply chain, our teams and independent experts work with suppliers to ensure that every workplace provides a safe and respectful environment. We do this by consistently raising the bar our suppliers must meet, requiring ongoing training on labor and human rights, conducting rigorous, independent, third-party audits of our suppliers, and making an anonymous reporting system available to people in our supply chain, through which we investigate all reports. If a supplier is not willing or able to meet our high standards, we will not do business with them.

2.1 Management and Oversight of Apple's Human Rights Policy

Apple's Human Rights Policy outlines how we treat everyone, including our customers, employees, business partners, and people at every level of our supply chain. We are deeply committed to respecting internationally-recognized human rights in our business operations, as set out in the United Nations ("UN") International Bill of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work. Our approach is based on the UN Guiding Principles on Business and Human Rights ("UNGPs"). We conduct human rights due diligence to identify risks and work to mitigate them.

We also seek to remedy adverse impacts, track and measure our progress, and report our findings. The full policy is available on [apple.com/investor](https://www.apple.com/investor) among our Governance Documents or via this link: [apple.com/legal/docs/human-rights-policy](https://www.apple.com/legal/docs/human-rights-policy).

Apple's Board of Directors adopted the policy and is responsible for overseeing and periodically reviewing it. Apple's Senior Vice President and General Counsel is responsible for its implementation, and reports to the Board of Directors and its committees on our progress and significant issues identified during the due diligence process. The Human Rights Policy is referenced in Apple's Business Conduct Policy, and included in the annual Business Conduct training

required of all employees. Additional information about our ethics and compliance programs, including training, can be found at <https://www.apple.com/compliance>.

We embed respect for human rights across our company — in the technology we make, the way we make it, and how we treat people. A number of teams are responsible for carrying out human rights and environmental due diligence, including the Privacy, Corporate, and Compliance teams within Apple's Legal and Global Security organization, and Apple's Environment and Supply Chain Innovation ("ESCI") team.

The ESCI team is part of Apple's World Wide Operations organization and coordinates activities related to

the Apple Supplier Code of Conduct ("Code") and the related Apple Supplier Responsibility Standards ("Standards"), and leads our strategy and programs to eradicate modern slavery. The ESCI team works across a number of Apple business groups, teams, and functions, including, but not limited to, Apple's Global Security Investigations and Child Safety team, Business Conduct and Global Compliance, Legal, Finance, Product Design, Procurement, Manufacturing Operations, Environment, and Retail. The teams regularly consult with Apple's senior leadership to review progress and update ongoing strategies.

2.2 Apple's Supplier Code of Conduct and Supplier Responsibility Standards

Apple's Code and Standards were established in 2005 and draw upon internationally-recognized rights and standards, including the UN International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UNGPs, and the Organisation for Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("OECD Due Diligence Guidance"). Our Code and Standards, and the protections they provide, apply equally to all workers, regardless of a person's job, geographic location, or how they enter our supply chain. This includes zero tolerance for forced labor.



Our Code and Standards are published in 15 languages, and both are publicly available at <https://www.apple.com/supplier-responsibility/pdf/Apple-Supplier-Code-of-Conduct-and-Supplier-Responsibility-Standards.pdf>.

Suppliers are required to operate in accordance with the Apple Code and Standards, and in full compliance with all applicable laws and regulations. Each year, we release a progress report that details our suppliers' performance in meeting our requirements, available at <https://www.apple.com/supplier-responsibility>.

To be in compliance, suppliers are also required to apply our requirements to their sub-contractors and sub-tier suppliers, and third-party recruitment agencies, through all levels of the supply chain. If a supplier is unwilling or unable to meet our requirements, the supplier risks removal from Apple's supply chain.

The Standards supplement our Code and provide additional clarity regarding Apple's requirements. Apple suppliers must meet these Standards to be in compliance with the Code. The Standards include broad coverage of human rights topics, including anti-discrimination and abuse, prevention of underage labor, juvenile worker protections and management of education programs, working hours management, wages, benefits and contracts, freedom of association and collective bargaining, and the responsible sourcing of materials. In addition, our Standards include detailed sections covering anti-modern slavery-related requirements. These include the prevention of involuntary labor, provisions related to Third-Party Employment Agencies ("TPEAs"), and Foreign Contract Worker ("FCW") protections (collectively, the "Prevention of Modern Slavery Standards").

Each year, Apple analyzes third-party sustainability standards and maps those against risk criteria such as

labor and human rights, health and safety, Indigenous Peoples' rights, and environmental protection. This analysis informs Apple's understanding of which third-party sustainability standards align with our internal requirements and where we can further strengthen our Code and Standards.

In 2021, we strengthened requirements under our Prevention of Modern Slavery Standards for worker onboarding processes, bonus payments, and hiring advertisements for FCWs, as well as due diligence and accountability requirements for TPEAs. This includes limiting the cost of repatriation FCWs must bear when voluntarily terminating their contracts early without reasonable notice to no more than 60 percent of their monthly net wage. In addition to all fees and expenses associated with recruitment, placement, processing, transportation, and management of FCWs, suppliers are required to pay any expenses or fees for required testing and vaccinations, such as those needed for COVID-19, as well as accommodations and related expenses for FCWs that are required to quarantine upon arrival in their country of work and/or upon repatriation. Suppliers are also required to ensure that their employees have direct access to the TPEAs through which they were recruited, either through an onsite representative from the relevant TPEA, or an online service which provides prompt responses to worker communications.

To learn more about our work with TPEAs and FCWs see section '5.4 Responsible Labor Recruitment Training: Foreign Contract Workers and Labor Agencies' on page 13.

2.3 Additional Anti-Modern Slavery Policies and Programs

Anti-Human Trafficking Policy, Business Conduct Policy & Channel Member Code of Conduct

Apple's Anti-Human Trafficking Policy strictly prohibits human trafficking and the use of involuntary labor in our business and supply chain. This policy explicitly defines human trafficking and modern slavery. The Anti-Human Trafficking Policy is also incorporated into Apple's Business Conduct Policy, which includes principles of Honesty, Respect, Confidentiality, and Compliance that apply to all Apple employees, independent contractors, consultants, and others who do business with Apple, when providing goods or services to Apple, or doing business on our behalf ("Third-Parties"). The Business Conduct Policy can be found at <https://www.apple.com/compliance/pdfs/Business-Conduct-Policy.pdf>.

The Business Conduct Policy applies to business decisions made in every area of the company worldwide. If employees know of a possible violation of Apple's Business Conduct Policy or legal or regulatory requirements, including a possible violation of Apple's Anti-Human Trafficking Policy, they are required to notify their manager, Apple's People Team, Legal, or Business Conduct and Global Compliance. Failure to comply with Apple's Business Conduct Policy, or failure to report a violation, may result in disciplinary action, up to and including, termination of employment.

In 2021, Business Conduct and Global Compliance implemented enhanced due diligence processes to detect human rights abuses. Human trafficking and other human rights topics are included in all screening reports on Third-Parties, and Third-Parties are continuously monitored as well.

Third-Parties are subject to either the Supplier Code of Conduct or the Channel Code of Conduct, which is available at: https://investor.apple.com/Channel_Member_Code_of_Conduct. Each code has language prohibiting human trafficking on the part of Third-Parties.

Child Protection and Law Enforcement

We are dedicated to protecting children wherever our products are made or used. Apple's Global Security Investigations and Child Safety team supports implementation of our robust policies focused on child protection at all levels of our software platforms and services, and throughout our supply chain. As part of this commitment, Apple uses image matching technology to help find and report child exploitation. Much like spam filters in email, our systems use electronic signatures to find suspected child exploitation. We validate each match with an individual review by an Apple employee. Accounts with child exploitation content violate our terms and conditions of service, and any accounts we find with this material are immediately disabled.

Apple also has a law enforcement training program to educate law enforcement on how to request data from Apple to assist with investigations. Thousands of law enforcement officials around the world have participated in this training course. In addition, in 2020 Apple launched an online law enforcement training module that law enforcement officials can participate in remotely. Apple sponsors the Crimes Against Children Conference annually. Apple is also a member of the Internet Watch Foundation and The Technology Coalition, organizations dedicated to eradicating online child abuse.

App Store Review Guidelines

Pursuant to Apple's App Store Review Guidelines, apps offered on the App Store must comply with all legal requirements in any location where made available. Apps that are found to solicit, promote, or encourage criminal or clearly reckless behavior are rejected. In extreme cases, such as apps that are found to facilitate human trafficking or the exploitation of children, Apple will notify the appropriate authorities.



03 | Evaluating Risks in Our Supply Chain (Verification)

Identifying human rights risks is the first step to addressing those risks through improvements to our policies and management systems. We work to align our efforts with the business and human rights due diligence process set forth in the UNGPs to identify, mitigate, prevent, and remedy human rights risks.

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

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

supplier assessments, discussions with supplier management teams, and risk reports received through our partners around the world.

While we are constantly monitoring, and in addition to our own extensive research, we also review reports that come to us from civil society organizations, news outlets, people in the supply chain or supply chain communities, local whistleblower mechanisms, and third-party hotlines. They also come through the reporting mechanisms we make available directly to all supplier employees, Apple employees, and the general public. These reports can come to us in any language and can be anonymous.

When we receive a report about an Apple supplier through any of these channels, we conduct a thorough

investigation and may also dispatch onsite, independent investigation teams. If a violation is discovered, a corrective action plan is immediately put in place, requiring violations to be remediated within 90 days.

3.1 Evaluating the Risk of Debt-Bonded Labor

Apple has zero tolerance for debt-bonded labor, which is a Core Violation (the most serious level of violation) of our Code. The payment of recruitment fees by workers, withholding an employee's passport or personal identity documents, or restricting an employee's freedom of movement, all constitute salient risks in our supply chain and are violations of our Code and Standards. Since 2008, we have implemented programs to identify and remedy any such violations, and since 2015, suppliers have been prohibited from charging workers any fees connected to their labor recruitment and/or employment, even if those fees fall within the legal limits of the supplier's operating country or the person's home country.

We are consistently driving our requirements at the earliest stages of recruitment which begins even before people are hired by our suppliers. We start by identifying the labor agencies working with our suppliers. In fiscal year 2021 ("FY2021"), we identified 1,182 labor agencies supporting 482 facilities in 32 countries. These labor agencies represent over 870,000 workers, with more than

427,000 of them working on Apple production lines¹. We also began requiring prospective suppliers in India, Malaysia, South Korea, Taiwan, Thailand, and Vietnam to undergo labor agency mapping and responsible labor recruitment training as part of our supplier selection due diligence process.

To learn more about how we are working to build capabilities at the recruitment level, see section '5.4 Responsible Labor Recruitment Training: Foreign Contract Workers and Labor Agencies' on page 13.

We also continue to expand and strengthen our labor recruitment due diligence for workers recruited domestically. This includes conducting field visits and interviews with labor agencies to see their recruitment processes first-hand, and conducting focused investigations into supplier hiring processes. In FY2021, we conducted 146 focused audits and investigations, including monitoring job postings and hiring events on social media channels to identify non-compliant practices, such as discriminatory job listings, the illegal hiring of students and interns, and the non-payment of sign-on bonuses.

Learn more about our specialized audit process in section '4.4 Specialized Debt-Bonded Labor Audits' on page 10.



3.2 Evaluating the Risk of Other Forms of Forced Labor

We review our supply chain for forced labor risks, which include assessments of manufacturing partners around the world. Our Code and Standards, and the protections they provide, apply equally to all workers, regardless of a person's job, geographic location, or how they enter our supply chain. This includes zero tolerance for forced labor.

We implement strict policies and procedures with our suppliers to protect workers in our supply chain from forced labor. This includes selecting suppliers for assessments based on factors, such as their geographic location, which may put them at higher risk of forced labor violations, as well as their previous performance and/or history of violations or allegations. Suppliers may also receive additional specialized assessments based on the nature of their business or employee population, such as those that employ Foreign Contract Workers, and those located in higher-risk migration corridors. Our Code and Standards also require that all supplier employees have an effective mechanism to report grievances. In addition, we provide third-party anonymous hotlines and the ability to contact the Apple ESCI team directly at any time and in any language. When an issue is raised, supplier management is required to immediately investigate and to resolve the issue in a timely manner.

We strictly prohibit any form of involuntary labor throughout our worldwide supply chain and look for evidence of it in every supplier assessment we

conduct, including unannounced assessments. Any violations of our policies carry immediate consequences, up to and including, termination of our business relationship with a supplier.

Throughout 2020-2021, despite the challenges and travel restrictions due to COVID-19, we were able to have independent, third-party assessments conducted at supplier sites in multiple countries, and the teams verified key documentation, investigated hiring practices, and conducted extensive interviews with workers in local languages. In FY2021, we conducted more than 1,100 assessments, and found no instances where anyone was forced to work in our supply chain.

To learn more about how we assess suppliers, see section '4.2 Supply Chain Audits' on page 9.

3.3 Upholding Human Rights and Labor Rights During the COVID-19 Pandemic

While the world continues to adapt to the COVID-19 pandemic, we've continued to prioritize health and safety which includes constantly evaluating health protocols, such as encouraging vaccinations and boosters where available. We are working together with our suppliers to help them ensure that necessary precautions are taken to keep people safe at work. These actions are also accompanied by permanent enhancements that are designed to put health and safety first, now and always.

When the COVID-19 pandemic began, many Apple Stores closed for significant periods of time to protect the safety and health of our employees and customers. From the beginning, we have extended paid sick leave benefits, provided health and safety training, and provided free testing to employees and janitorial staff.

In FY2021, we continued to assess compliance with our supplier Infectious Disease Preparedness and

Response Standard, conducting more than 200 onsite and remote assessments to verify suppliers' compliance with COVID-19 control protocols. This is in addition to our regular supplier assessments. We also regularly distributed COVID-19 health and safety guidance and best practices to suppliers across our supply chain.

In order to safeguard the rights, and the health and safety of workers, we've partnered with the International Organization for Migration ("IOM") — the world's leading organization providing services to migrant workers — to provide support to migrant workers impacted by the pandemic. This includes working with suppliers in circumstances where they were required to provide temporary housing to their employees. In these instances, the IOM assessed suppliers' temporary housing in accordance with both IOM and Apple's standards, as well as international standards and best practices, and confirmed that workers' freedom of movement was not impeded. Our suppliers also worked closely with local authorities to provide regular COVID-19 tests for employees living onsite, and to work towards a plan that allowed for the safe reopening of facilities, while always prioritizing the health and safety of employees and the community.

3.4 Materials Supply Chain Due Diligence

Apple does not directly purchase or procure primary sourced minerals from mine sites. We are, however, committed to both meeting and exceeding internationally-accepted due diligence standards for primary minerals and recycled materials supply chains. We also seek to one day use only recycled and renewable minerals and materials in our products and packaging, and are committed to achieving carbon neutrality for our entire footprint by 2030 — from our supply chain to the use of the products we make.

Tin, tungsten, tantalum, gold ("3TG"), cobalt, and lithium — are among the 14 materials in our supply chain prioritized in our initial efforts to transition to recycled and renewable materials, based on an evaluation of the environmental, social, and supply chain impacts of 45 mined elements and primary materials. More information can be found at https://www.apple.com/environment/pdf/Apple_Material_Impact_Profiles_April2019.pdf.

Conducting human rights due diligence in alignment with the OECD Due Diligence Guidance and the UNGPs is the foundation of Apple's responsible sourcing program for primary sourced minerals, and informs Apple's due diligence program for recycled minerals. Our Code and Standards require suppliers, smelters, refiners, and recyclers in our supply chain to identify and assess a broad range of risks beyond conflict, including social, environmental, and human rights risks. Suppliers are also required to review reported incidents and public allegations linked to their smelters and refiners, and to participate in 3TG traceability and third-party audit programs to address and mitigate identified risks.

Apple believes that empowering independent voices at the mining level is critical to identifying, assessing, and remedying risks deeper in our supply chain related to human trafficking and involuntary labor, including modern slavery. The initiatives below have both assisted with the identification of existing and emerging risks at the mining level, while also providing solutions at an industry-level:

- Apple utilizes the RMI's Minerals Grievance Platform, an online cross-industry platform designed to screen and address grievances linked to minerals supply chains. Through the platform, NGOs, companies, and any member of the public can anonymously submit grievances related to risks outlined in Annex

¹Data related to Apple's Responsible Labor Recruitment training program was previously reported on a calendar year. Starting in 2021, all data was reported on a fiscal year (October 2020–September 2021), impacting year-over-year comparisons.



II of the OECD Due Diligence Guidance. A platform manager screens and conducts due diligence on the submitted grievances and provides a summary to member organizations via the platform website once a grievance is addressed and closed. This collaboration among stakeholders increases transparency, consistency, and accountability in how public allegations concerning smelters and refiners are identified, addressed, and resolved.

- In 2021, Apple continued to support the Fund for Global Human Rights to support human rights, labor, and environmental defenders in the Democratic Republic of the Congo ("DRC"). Groups supported by this partnership work on a range of issues, including the economic and social rights of mining communities, inclusive economic growth, judicial advocacy, environmental justice, the rule of law, as well as health, safety, and fair compensation for mining communities. Apple also continued to provide funding to the independent non-profit organization IMPACT, to digitize a framework based on the United Nations Sustainable Development Goals which aims to harmonize how the impact of supply chain-related activities on socioeconomic and environmental well-being in Artisanal and Small-Scale Mining ("ASM") communities is measured. And we continued our support for the Working Capital Fund to invest in scalable innovations in technological solutions for more transparent supply chains.
- We have also continued our partnership with the Thomson Reuters Foundation to support frontline advocates and local independent journalists; provide pro-bono legal support for trafficking and anti-modern slavery organizations; and support the convening of multi-stakeholder platforms to raise awareness of and eradicate modern slavery worldwide.

- In 2021, Apple continued to provide funding to Pact, an international development NGO, to deliver rights awareness training to miners, youth, and community officials in ASM communities in the DRC. These training sessions were designed to raise awareness on a range of human rights issues and were based in part on curriculum developed by the United Nations Children's Emergency Fund ("UNICEF"). Apple also provided funding to the Responsible Business Alliance ("RBA") Foundation in support of Pact's fifth year of a vocational education program for youth living in mining communities in the Lualaba province of the DRC. In continued response to the COVID-19 pandemic, Pact coordinated with local communities and health officials to provide information and resources, including access to free face masks, soap, and educational materials on symptoms and prevention measures.
- In 2021, we continued to participate in work groups as part of the Public Private Alliance for Responsible Minerals Trade ("PPA"), a multi-sector initiative supporting the ethical production, trade, and sourcing of minerals from the African Great Lakes region, to drive responsible sourcing innovations. Apple served on the Governance Committee and advised on PPA initiatives, including developing plans for a symposium on effectively using data to understand and drive due diligence impacts, and leading a proposal selection process for the PPA to fund research on effective models for ASM cooperatives. We also supported research on opportunities for technology use in responsible minerals production and sourcing in the DRC and participated in consultations around the OECD's monitoring and evaluation framework, which was released in 2021.
- In 2021, Apple continued to provide funding to the International Tin Association's International Tin

Supply Chain Initiative ("ITSCI"), 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, send SMS messages in local languages, and otherwise raise concerns related to mineral extraction, trade, handling, and exporting via local networks. ITSCI and its partner organizations also continued to increase awareness and utilization of the whistleblowing mechanism through radio campaigns in mining communities, distributing promotional materials, and consulting with local civil society actors and other stakeholders.

3.5 Third-Party Risk Assessments for Smelters and Refiners

In 2010, we were one of the first companies to map minerals in our supply chain from supplier manufacturing sites back to the smelter and refiner level for 3TG. In 2014, we started mapping our cobalt supply chain. We use independent, third-party audits to assess risks at smelter and refiner sites. In calendar year 2021 ("CY2021"), 100 percent of the identified 3TG, cobalt, and lithium smelters and refiners in our supply chain participated in independent, third-party audits to assess and identify a broad range of risks, including social, environmental, human rights, and governance risks². This marks seven consecutive years of 100 percent compliance for 3TG, six consecutive years for cobalt, and two consecutive years for lithium. Additionally, we map other minerals in our products such as mica, copper, graphite, and nickel, as well recycled and bio-based materials.

Since 2009, Apple has directed the removal of 163 3TG (a total of 9 tantalum, 50 tin, 19 tungsten, and 85 gold smelters and refiners) and 7 cobalt smelters and refiners from our supply chain. In CY2021, we removed

12 smelters and refiners from our supply chain, including those that were not willing to participate in or complete a third-party audit, or that did not otherwise meet our requirements for the responsible sourcing of minerals.

²Apple 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 <https://www.apple.com/supplier-responsibility/>



04

Audits in Our Business and Supply Chain

4.1 Internal Monitoring

Apple has robust systems and processes in place for receiving and investigating potential violations of our policies. Apple employees are able to report concerns through a dedicated helpline, via email, online, or by phone. Reports can also be submitted anonymously through an independently managed, third-party helpline, Ethicspoint, available 24 hours a day, seven days a week in 20 languages. Employees can access the service through local toll-free numbers provided on our website and through Ethicspoint's website. All reports are assessed and investigated, as appropriate. More information can be found at <https://secure.ethicspoint.com/domain/media/en/gui/48987/index.html>.

In addition, we conduct internal and third-party independent assessments of our compliance programs to determine effectiveness, and make changes to our policies and our training to reflect emerging trends. Apple's Chief Compliance Officer provides regular updates to the Audit and Finance Committee of the Board of Directors. For more information, see <https://www.apple.com/compliance>.

4.2 Supply Chain Audits

Assessments, also known as audits, are one of several methods we use to measure compliance with our requirements. Assessments, conducted by independent, third-party auditors, provide a snapshot of a supplier's performance. When combined with regular engagement with supplier teams, mandated reporting partnerships with leading human rights experts, participation in industry associations, and listening directly to hundreds of thousands of supplier employees about their workplace experiences, our rigorous supplier assessments provide a clear measure of their performance in upholding our Code and Standards.

We select suppliers for assessments based on a number of factors, including geographic risk, previous audit performance, manufacturing process risks, and planned spending. We also take into account reports and concerns brought to us by internal teams, external stakeholders, and NGOs.

We take all allegations concerning our suppliers very seriously. Reports can come from many sources, including civil society organizations, news outlets, people in the supply chain, and anonymous reports through the channels we make available to supplier employees and the public. Thorough investigations are conducted and violations are remedied.

To learn more about our remediation process, see section '4.5 Addressing Code Violations and Remedy' on page 10.

Directly engaging rights-holders through worker interviews is an integral part of our assessment process. In FY2021, despite the ongoing challenges presented by the COVID-19 pandemic, we increased the number of supplier employees interviewed as part of the assessment process to 87,626 — a 34 percent increase over 2020. We consider retaliation in any form to be a Core Violation, and last year, more than 42,230 follow-up phone calls were made in order to verify that those supplier employees participating in interviews were not retaliated against.

In this reporting period, 1,177 independent, third-party assessments were conducted in 52 countries, including 886 Code of Conduct assessments and 291 smelter and refiner assessments³. Every year, we also conduct unannounced assessments and unannounced visits in response to workers' grievances and allegations, or to verify risks at supplier facilities based on predictive analytics. In FY2021, we conducted 211 unannounced assessments and investigations where the supplier facility was provided no advance notice of our arrival.

In addition, as Apple's business continues to grow and expand to new areas, we adapt our supplier engagement model accordingly. In 2012, we began

extending assessments to suppliers providing services to our call centers, logistics and repair centers, and continue to expand our scope to conduct independent, third-party assessments of the growing number of suppliers that support our business outside of manufacturing. These can include suppliers that provide a number of different services, including staffing agencies, that support teams across Apple.

We also increased our engagement with suppliers supporting newer areas of Apple's business, including those that work with our content services like Apple TV+ and Apple Fitness+. This also includes renewable energy service providers. In 2021, we began including references to our requirements in our agreements with key renewable energy project developers and service providers.

In addition to third-party Code of Conduct assessments, we require many of our suppliers to also undergo the RBA's Validated Assessment Program ("VAP"), a facility-wide third-party assessment widely used by the industry. A total of 99 RBA VAP assessments were completed in FY2021 at Apple supplier sites.

³Apple 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 <https://www.apple.com/supplier-responsibility/>



Detailed analysis of our suppliers' performance against our Code and Standards appears in our annual People and Environment in Our Supply Chain report, available at <https://www.apple.com/supplier-responsibility>.

4.3 Responsible Procurement

Through our responsible procurement process, a dedicated team in Apple's Product Operations group assesses prospective manufacturing suppliers and facilities before they are awarded our business and enter our supply chain, to help make sure risks to people and the environment are mitigated prior to the beginning of production. This includes a comprehensive review of human rights and modern slavery risks, including debt-bonded labor. Since FY2020, 9 percent of prospective suppliers evaluated for Code-related risks were prevented from entering our supply chain for being unable or unwilling to meet our Code and Standards.

4.4 Specialized Debt-Bonded Labor Audits

Apple has a zero-tolerance policy that prohibits workers from paying any fees connected to their labor recruitment and/or employment at any of our suppliers, even if those fees fall within the legal limits of the supplier's operating country.

To further strengthen implementation of our Prevention of Modern Slavery Standards, we also conduct specialized debt-bonded labor audits in certain high-risk environments, including high-risk labor migration corridors and in areas where employment of FCWs typically occurs. In FY2021, specialized debt-bonded labor assessments were conducted in Japan, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Vietnam, and the United Arab Emirates. The purpose of these assessments is to identify and verify that no fees were paid by FCWs at any point during their labor recruitment process, and to identify gaps in procedures

for recruiting, contracting, and managing of FCWs. Each audit includes verification of documents from suppliers and labor agents, as well as interviews with labor agents and FCWs.

Directly engaging rights-holders through worker interviews is an integral part of every assessment we conduct, including our specialized debt-bonded labor assessments. Workers who participate in these interviews are selected to build a representative sample of workers' countries of origin, labor agencies, onboarding dates, work positions, work shifts, and gender. Interviews are conducted without supplier management present and in the employees' native language(s). After interviews, workers are given a contact number so they have the opportunity to securely and confidentially provide additional feedback to Apple, including anything they consider to be retaliatory or unethical behavior. We encourage workers to report any retaliation to us, and we follow up to address and remediate any reported issues.

4.5 Addressing Code Violations and Remedy

If we find violations of our Code or Standards during an assessment, our goal is to work together with suppliers to help them improve their management systems, rather than to simply remove them from our supply chain before the issues we discover are corrected. In the event that a supplier is unwilling or unable to improve their operations to meet our requirements, they risk removal from our supply chain. Since 2009, we have directed the removal of 24 manufacturing supplier facilities, and 170 smelters and refiners from our supply chain for being unwilling or unable to improve their operations to meet our requirements.

Achieving progress requires strong processes to hold suppliers accountable, address violations when they

are discovered, and validate that corrective actions have been completed. We call these processes Corrective Action Plans and Corrective Action Verifications.

Following an assessment, we discuss findings with the supplier, and work with them to create a Corrective Action Plan. The supplier is provided with feedback and identification of issues, and is then required to conduct root-cause analysis to develop corrective actions. As part of the process, our capability-building team provides suppliers with training on industry best practices and guidance in resolving identified issues, as well as strengthening their management systems to prevent the issue from reoccurring.

During this period, 30-, 60-, and 90-day required check-ins with Apple provide suppliers with opportunities to have their questions addressed, and for Apple to provide clarification, awareness, and training to support suppliers as they implement their corrective action plan, as part of our capability-building efforts.

To learn more about how support capability-building throughout our supply chain, see section '5. Training and Capability-Building' on page 12.

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

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

Progress of responsible labor recruitment

2021

We expanded mapping of labor agencies, nearly tripling the number of labor agencies identified across our supply chain.

2020

We rolled-out the Responsible Recruitment Toolkit to our manufacturing suppliers operating in high-risk FCW migration corridors in Asia, as well as to all of our logistics and janitorial suppliers operating globally.

2019

We went deeper to identify the root causes of debt-bonded labor and worked with labor agents directly on fair recruitment practices.

2018

We strengthened implementation of our Code at the initial stages when labor is recruited and began assessing labor recruitment risks deeper in the supply chain and earlier in a supplier's hiring process.

2015

We mandated that no fees can be charged to foreign contract workers.

2008

We made debt-bonded labor a Core Violation of our Code and limited permissible fees to one month's net wages for foreign contract workers.



When a Core Violation is identified, the supplier's Chief Executive Officer is notified, and the supplier is immediately placed on probation. Probation is the period beginning when a Core Violation is discovered by Apple, and ending when Apple determines the supplier has completed all corrective actions. Examples of consequences resulting from probation include receiving no new projects, no new business, and the termination of existing business with Apple.

Beyond immediately addressing the Core Violation, suppliers must also make changes in their management system to address the root causes of the violation, take and sustain preventive measures to ensure the violation does not reoccur, and provide remedies to affected workers in line with the UNGPs.

After more than 15 years of engagement and capability-building, Core Violations of our Code in procurement and manufacturing have become increasingly uncommon, and supplier performance continues to increase year-over-year. We continue to report transparently on violations and supplier performance each year in our People and the Environment in Our Supply Chain report, available at <https://www.apple.com/supplier-responsibility>.

Remediation Processes in Our Code

Below are examples of remediation processes as they relate to modern slavery:

Debt-bonded labor

When we discover debt-bonded labor, we require suppliers to provide direct remedy to affected workers. From 2008 through FY2021, \$33.2 million in recruitment fees have been repaid to 37,322 supplier employees by our suppliers.

Reimbursement amounts are based on the range of fees identified through worker interviews and cross-verification with applicable labor agencies or the supplier. The average of the total self-reported fees is taken per category as outlined in our Standards. Fee categories are outlined in detail in our Prevention of Modern Slavery Standards, available at <https://www.apple.com/supplier-responsibility/pdf/Apple-Supplier-Code-of-Conduct-and-Supplier-Responsibility-Standards.pdf>.

We strictly prohibit involuntary labor throughout our worldwide supply chain and look for evidence of it in every supplier assessment we conduct, including unannounced assessments. In cases where recruitment fees have exceeded the legal limits, we

consider this to be a Core Violation, triggering prompt action from Apple and subsequent consequences for the supplier. Examples of consequences include receiving no new projects, no new business, and the termination of existing business with Apple.

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. Finally, we conduct verification of all repayments through third-party auditors.

In FY2021, we discovered two cases at two separate facilities owned by the same supplier in Taiwan. Auditors found that FCWs paid recruitment fees in excess of the legal limits — a practice that is strictly prohibited by Apple, regardless of legality. Following our requirements described above, we required the supplier to immediately repay the impacted employees all fees paid, verified this repayment through a third-party auditor, and worked with the supplier to correct their management systems and practices to prevent a reoccurrence.

Underage labor

The use of underage labor is another Core Violation of our Code. If underage labor is discovered through

our supplier assessments, specialized third-party assessors are brought in for an in-depth review, and the supplier is required to immediately and safely return the underage individual to his or her home. Educational opportunities are presented to the underage individual and his or her guardians. The supplier is required to pay all tuition and educational fees, and to continue to pay the individual's wages that would have been earned at the supplier facility until the individual reaches legal working age.

Follow-up is conducted to verify the individual's overall well-being both at school and at home. Once the individual reaches legal working age, the supplier is also required to offer the individual employment.

Based on the reduction in age-related violations over the last decade, our efforts have driven significant progress in this area. In FY2021, there were no supplier violations related to underage workers in our supply chain.



05 Training and Capability-Building

5.1 Apple Employee Training

Apple employees and interns are required to complete mandatory annual Business Conduct training which educates on key points of Apple's Human Rights Policy, including the escalation path for potential violations. The Anti-Human Trafficking Policy describes the escalation process by which employees and other third-parties may report violations related to the policy to Apple's Business Conduct and Global Compliance team, or through anonymous reports via Apple's external third-party hotline. Any violation of the Anti-Human Trafficking Policy or applicable U.S. Federal Acquisition Regulation⁴ may result in disciplinary action, including, but not limited to, termination of employment.

All Apple corporate employees including those on the ground in our suppliers' facilities, receive training annually on key points in our Supplier Code of Conduct, as well as Apple's process for reporting supply chain issues, and are instructed to report anything that might be considered a violation, including forced labor, trafficking, or ethical violations.

5.2 Capability-Building for Apple Suppliers on Mitigating Trafficking Risks

Apple provides platforms, tools, and resources to support our suppliers in building their capabilities. Our SupplierCare platform provides online tools for suppliers to improve their operations and refine new processes. Through the platform, suppliers are able to collaborate with us to track their assessment results, develop corrective action plans for assessment findings, reference best practice resources, and monitor the progress of these improvements. SupplierCare extends capability-building by providing on-demand educational content to increase understanding of our Code and best practices to maintain compliance with our Standards, including FCW protections and the responsible sourcing of minerals. In FY2021, we engaged over 532 suppliers with digital training content.

In addition to online resources, Apple deploys onsite experts to train and support suppliers, resolve immediate issues, and improve their management systems to prevent recurrence. Introduced in 2016, this program is comprised of more than 30 experts

with robust industry experience and knowledge to solve both management and technical issues, including expertise in responsible labor recruitment, management of FCWs, and the prevention of modern slavery. In FY2021, experts worked with suppliers in Greater China, India, Japan, Malaysia, the Philippines, South Korea, Thailand, and Vietnam.

Certain suppliers, such as those providing janitorial and facilities services to Apple Store locations and other sites, also receive specialized training related to human trafficking prevention and debt-bonded labor risk mitigation specific to services supply chains, including 100 percent of logistics and janitorial suppliers globally.

5.3 Training on Workplace Rights

Worker protection begins with rights awareness. Since 2008, more than 23.6 million people in Apple's supply chain have been trained on their workplace rights.

Under the Code and Standards, suppliers are required to educate their employees on Apple's Code and Standards, including the Prevention of Modern

Slavery Standards. They must provide contracts that accurately describe an employee's work, a clear account of wages and benefits (including leave), and information on Apple's zero tolerance policy on recruitment fees. Suppliers are also required to have their employees attend a new-hire orientation training on local labor laws, and the human rights protections outlined in our Code and Standards.

We've announced the creation of our new Supplier Employee Development Fund, a \$50 million commitment to deepen our investments in the people in our supply chain through the expansion of best-in-class labor programs — addressing worker rights training, grievance mechanisms, and responsible labor recruitment. Building on our existing work, the initiative will support new and expanded labor programs reaching more than 3.5 million supplier employees in over 40 countries, aided by our strategic partners, including the ILO and IOM. This also includes the launch of the Apple Education Hub — a global resource that will offer virtual and in-person courses in professional development, coding, robotics, and advanced manufacturing fundamentals.

⁴Providers of goods and services to the U.S. Government are required to comply with the applicable Federal Acquisition Regulation and its requirements, which include a policy prohibiting activities that contribute to or support human trafficking and forced labor.



In addition, in FY2021, we launched a new digital platform to deliver enhanced training directly to supplier employees in their native languages. The new platform helps to identify gaps in knowledge of labor laws and workplace requirements, and adapts the user experience accordingly to help ensure better comprehension of the material. We conducted focus groups with supplier employees in order to better tailor the content in ways that are most effective and engaging. We will be expanding this training to additional supplier facilities in 2022.

5.4 Responsible Labor Recruitment Training: Foreign Contract Workers and Labor Agencies

When it comes to supporting workers throughout their recruitment journey, we recognize that we need to empower every person that is part of this ecosystem — including labor agents and suppliers — to take an active role in ensuring their labor rights are respected at every step.

In collaboration with the IOM and the RBA, we rolled out our Responsible Labor Recruitment Toolkit to all of our manufacturing suppliers operating in five higher-risk migration corridors in Asia in 2020, as well as to all of our logistics and janitorial suppliers operating globally

to help them improve their recruitment due diligence. We continued this work in FY2021, expanding to more than 39 additional supplier facilities in 10 countries, reaching nearly 77,000 workers globally, with 66 percent of those working on Apple production lines. In FY2021, we continued to add new tools to help suppliers identify and address risks associated with other groups, such as dispatch and sub-contracted workers, or students, interns, and apprentices. We rolled out additional tools for labor agencies to conduct risk assessments, and helped to standardize due diligence processes across our supply chain and industry for labor agency sub-contractors.

We also worked with the educational technology company, Quizrr, to develop digital worker rights training in our supply chain on our responsible recruitment requirements. This training is based on our Code and Standards as well as ILO Core Conventions, and is designed for workers, labor agents, as well as managers and those responsible for hiring at supplier facilities, with the aim of strengthening the knowledge and understanding of responsible labor recruitment at all levels of the supply chain. The training includes modules on employment practices, workplace policies, workplace dialogue, as well as COVID-19 health and safety best practices. In FY2021, as part of our initial pilot, this training was

rolled out to more than 4,600 supplier employees in Taiwan and Thailand, as well as labor agents in the Philippines, with plans to expand to all FCWs during pre-departure training in their countries of origin, as well as during their orientation upon arrival in their destination country.

Finally, while the progress we have made in our own supply chain is significant, we're taking the lessons we've learned, and the tools we've developed, and sharing them in order to help everyone achieve progress more quickly. In 2020, we partnered with the RBA to customize and scale the Responsible Recruitment Due Diligence Toolkit. In FY2021, an additional 20 RBA member companies rolled out the Toolkit across their respective supply chains, helping to build the capacity of workplaces across the industry.

Learn more about how we map and assess suppliers and labor agents in sections '3.1 Evaluating the Risk of Debt-Bonded Labor' (page 6) and '4.4 Specialized Debt-Bonded Labor Audits' (page 10).



06

Going Beyond: Working Together for Progress

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

Here are a few of the organizations we work with, as well as the tools, training, and best practices we have developed and shared as a result of these partnerships:



International Labour Organization (ILO)

The ILO is the United Nations agency for the world of work. The ILO brings together governments, employers and workers to “drive a human-centered approach to the future of work through employment creation, rights at work, social protection and social dialogue.” In addition to regular consultations with ILO labor experts, including engagements at the ILO’s annual International Labour Conference, Apple works with the ILO on a number of projects, including those related to rights training and advancing worker voice. Apple is also a member of the ILO Global Business Network on Forced Labor, and serves on the steering committee.



International Organization for Migration (IOM)

IOM is a United Nations agency and considered the leading global expert on migration. IOM works to help ensure the orderly and humane management of migration, to promote international cooperation on migration issues, to assist in the search for practical solutions to migration problems, and to provide humanitarian assistance to migrants in need, including refugees and internally displaced people. Apple partnered with IOM to develop our Responsible Labor Recruitment Toolkit. IOM also delivers training to our suppliers on the Toolkit.

Apple also worked with IOM on the Remediation Guidelines for Victims of Exploitation in Extended Minerals Supply Chain, which outlines step-by-step approaches to be taken by companies, assessors, and smelters or refiners to mitigate issues in their sourcing supply chain. We also continue to expand our integration program for trafficking survivors to obtain full-time employment across Europe, Thailand and the UK.



Responsible Business Alliance
Advancing Sustainability Globally

Responsible Business Alliance (RBA)

RBA is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. Apple collaborates with the RBA and its member companies frequently throughout the year on initiatives spanning the entirety of our Supplier Responsibility program. Apple also serves in several leadership capacities at the RBA, including on the RBA Board of Directors.



Responsible Minerals Initiative (RMI)

Part of the Responsible Business Alliance, RMI is one of the most utilized resources for companies from a range of industries addressing responsible mineral sourcing issues in their supply chains. Apple sits on RMI's steering committee.



Responsible Labor Initiative (RLI)

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



European
Partnership
for Responsible
Minerals

European Partnership for Responsible Minerals (EPRM)

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



THOMSON REUTERS
FOUNDATION

Thomson Reuters Foundation

Thomson Reuters Foundation is an independent charity, working to advance media freedom, foster more inclusive economies, and promote human rights through news, media development, free legal assistance and convening initiatives. In 2018, Apple was awarded the Thomson Reuters Foundation's Stop Slavery Award in recognition of Apple's efforts to eradicate forced labor from our supply chain. In 2021, we continued our partnership with the Thomson Reuters Foundation for projects including training journalists on modern slavery reporting, increasing pro-bono legal support for trafficking and anti-modern slavery organizations, and convening multi-stakeholder platforms to raise awareness of and eradicate modern slavery worldwide.



HUMANITY
UNITED

Working Capital Innovation Fund (incubated by Humanity United)

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



07 | Public Reporting

Apple annually publishes a number of documents that detail and report on our commitment to respect human rights, eradicate modern slavery, and drive transparency in our supply chain, including this 2021 Statement; Apple's Supplier Code of Conduct and Supplier Responsibility Standards; Apple's Supplier List; Apple's People and the Environment in Our Supply Chain Report; and Apple's Conflict Minerals Report. These documents are available at **apple.com/supplier-responsibility**.



08 | Certification

To do business with Apple, suppliers must agree to operate in full compliance with all applicable laws and regulations, and adhere to our Code and Standards. Our Code and Standards go beyond compliance with existing law. Each year, we work to update and strengthen our Code and Standards, drawing on lessons learned from our supply chain due diligence, emerging best practices, and internationally-recognized rights frameworks. Accordingly, by agreeing to comply with our Code and Standards, our suppliers are obligated to continue making progress to maintain compliance with our continually evolving high standards.

We are committed to respecting internationally-recognized labor and human rights in our business and supply chain, and continue to work with others across industries towards the eradication of human trafficking and modern slavery worldwide.



09 | Signature

In accordance with the UK Modern Slavery Act 2015 and guidance thereunder, this 2021 Statement on Efforts to Combat Modern Slavery in Our Business and Supply Chains was approved on 18 March, 2022 by the directors of each of Apple Europe Limited, Apple (UK) Limited, and Apple Retail UK Limited (as prior statements were in previous years in accordance with the Act) and has been signed by the undersigned director for and on behalf of each of Apple Europe Limited, Apple (UK) Limited, and Apple Retail UK Limited to the extent that this 2021 Statement relates to the activities of those respective entities.

P. R. Dinwood

