

# How we prevent forced labor in our supply chain

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

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



# We set the highest standards.

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

· Aligning with international frameworks

Our policies and supplier requirements align with international labor and human rights standards, including those of the International Labour Organization (ILO), the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the Organisation for Economic Cooperation and Development (OECD).

· The Apple Human Rights Policy

The Apple <u>Human Rights Policy</u> outlines how we treat everyone, including our customers, employees, suppliers, and people across each level of our supply chain.

 The Apple Supplier Code of Conduct (Code) and Supplier Responsibility Standards (Standards)

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



#### We engage early.

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

 Labor recruitment mapping informs our strategy

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

· A leading strategy requires leading tools

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

Awareness is power

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

· Investing in continuous improvement

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



#### We hold suppliers accountable.

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

· A close look

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

· We investigate the reports we receive

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

Swift action and remediation

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

Action this year

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



# We track progress and report transparently.

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

• People and Environment in Our Supply Chain Progress Report

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

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

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

 Disclosures on Efforts to Combat Human Trafficking and Slavery

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

· Consistently raising the bar

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

Learn more

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



### We regularly engage and partner with experts.

Engagement with stakeholders and rightsholders is necessary to hold ourselves accountable, take action where it's needed, and achieve rapid progress.

 The International Labour Organization

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

 The International Organization for Migration

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

· Responsible Business Alliance

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

Fund for Global Human Rights

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