

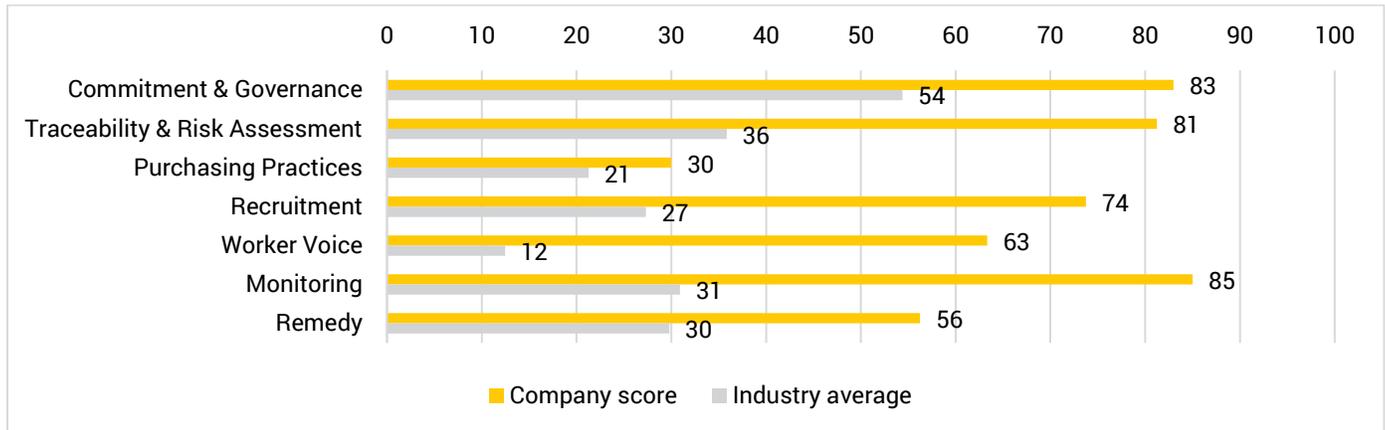
# Apple Inc.

**TICKER**  
NAS:AAPL**MARKET CAPITALIZATION**  
US\$852 billion**HEADQUARTERS**  
United States**DISCLOSURES**  
UK Modern Slavery Act: Yes**TARGETS**  
NoneCalifornia Transparency in Supply Chains Act: Yes**OVERALL RANKING****4 out of 49**[\(2018 Rank: 3 out of 40\)](#)**OVERALL SCORE****68 out of 100****SUMMARY**

Apple Inc. (Apple), the world's largest tech company,<sup>1</sup> ranks fourth out of 49 companies, disclosing more information on its forced labor policies and practices than its peers across all themes. Since 2018, the company has improved by disclosing practices such as mapping recruitment corridors in its supply chains, prohibiting the use of employment agencies for student workers, and providing information on its supplier selection process. Compared to 2018, the company's rank decreased by one place, as it did not improve its performance and disclosure across themes. Notably, the company achieves the highest score on the themes of Worker Voice and Monitoring, and it is the only company to score above 50/100 on Worker Voice. KnowTheChain identified one allegation of forced labor in the company's supply chains. The company reports that it launched an investigation into its supply chains and carried out audits on the factory in question. However, the company does not disclose engagement with affected stakeholders nor remedy outcomes for workers. Steps the company could take to address forced labor risks in its supply chains include strengthening its disclosure and practices on the themes of Purchasing Practices, Worker Voice, and Remedy.

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Research conducted through October 2019 or through January 2020, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#). It includes an [allegation in the company's supply chains regarding forced labor of ethnic minorities transferred from Xinjiang to factories across other provinces in China](#), which falls outside of the research timeframe.

**THEME-LEVEL SCORES**

**KEY DATA POINTS**
**SUPPLIER LIST**

Yes

**NO-FEE POLICY**

Yes (Employer Pays Principle)

**AVERAGE SUPPLIER SCORE**

27/100

**REMEDY FOR SUPPLY CHAINS WORKERS**

Yes

**HIGH-RISK SOURCING COUNTRIES**

 China, Malaysia<sup>2</sup>
**LEADING PRACTICES**

**Recruitment:** Apple discloses detail on how it identifies recruitment-related fees and ensures workers are reimbursed. It states that fee amounts are determined by assessing the range of fees identified during worker interviews and verifying them with suppliers or labor agencies. The company also outlines its process for reimbursing fees, reporting that suppliers must sign repayment terms and submit a reimbursement plan to Apple. It discloses that repayment is verified by a third-party auditor. In addition, Apple discloses that it works with suppliers and labor agents to ensure they make potential workers aware of their rights during the hiring process, and it states that new employees are provided with pre-departure training on their employment terms and conditions, the host country where they will be working, and labor rights and protections.

**Worker Voice:** Apple states that it verifies the effectiveness of supplier grievance channels by interviewing its suppliers' workers during annual assessments in their local language. Its supplier code requires suppliers to document processes relating to grievance processes for workers.

**Monitoring:** The company reports that it conducted specialized debt-bonded labor audits in Taiwan, Vietnam, Thailand, Japan, Singapore, Malaysia, and the United Arab Emirates in 2018. It also discloses that through its labor and human rights assessments of suppliers, it discovered 26 "core" violations, which included working hour falsifications, debt-bonded labor, and underage labor.

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**NOTABLE FINDINGS**

**Training:** Apple discloses that it has worked with its suppliers to enforce stronger standards for labor brokers, such as by providing enhanced training on its supplier code and on conducting worker interviews. It states that this results in stronger due diligence processes for its suppliers' labor supply chains. The company also discloses that each supplier audit, conducted against the standards of its supplier code, is accompanied by training and capacity building for suppliers.

**Risk Assessment:** The company reports that it has developed a Risk Readiness Assessment tool, which has been shared at the industry level and is used to assess human rights risks in supply chains. Apple states that it has undertaken a mapping and risk assessment process of its labor supply chains to understand the geographic corridors of its foreign migrant workers. It also takes into account relevant reports of forced labor from sources such as the US Department of State and the International Labour Organization. In addition, it states that, alongside findings from civil society and other stakeholders, it reviews incidents and allegations at the mine-level which are linked to mineral processors in its supply chains. The company discloses that it has identified the Philippines, Nepal, Thailand, Indonesia, and Vietnam as countries of origin of migrant workers who may be vulnerable to debt bondage.

**Worker Engagement:** The company discloses that in collaboration with the International Organization for Migration, it trained migrant workers in its supply chains on their rights before they left their country of origin (the Philippines, Indonesia, Nepal, and Vietnam).

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**OPPORTUNITIES FOR IMPROVEMENT**

**Purchasing Practices:** The company may consider adopting responsible purchasing practices (such as improving planning and forecasting) and providing procurement incentives (such as price premiums or increased orders) to suppliers to encourage or reward good labor practices.

**Worker Voice:** To support collective worker empowerment, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. Where there are regulatory constraints on freedom of association, the company may consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing. The company is encouraged to disclose examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers, such as migrant workers.

**Remedy:** While the company provides some information on its process for responding to allegations, such as conducting investigations and potentially working with civil society or government to address allegations, it is encouraged to disclose greater detail on this process, for example, by giving further information on the teams responsible, disclosing a step-by-step process for responding to allegations, and engaging with affected stakeholders. Further, the company is encouraged to disclose examples of remedy provided to its suppliers' workers where labor rights allegations occur.

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**ENGAGED WITH KNOWTHECHAIN**

Yes.

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<sup>1</sup> Forbes (15 May 2019), "[The largest technology companies in 2019: Apple reigns as smartphones slip and cloud services thrive.](#)" Accessed 20 April 2020.

<sup>2</sup> The US Department of Labor lists China and Malaysia as countries where electronics may be produced using forced labor. US Department of Labor (20 September 2018), "[List of Goods Produced by Child Labor or Forced Labor.](#)"