

Apple Inc.

TICKER
 AAPL

MARKET CAPITALIZATION
 US\$2,712 billion

HEADQUARTERS
 United States

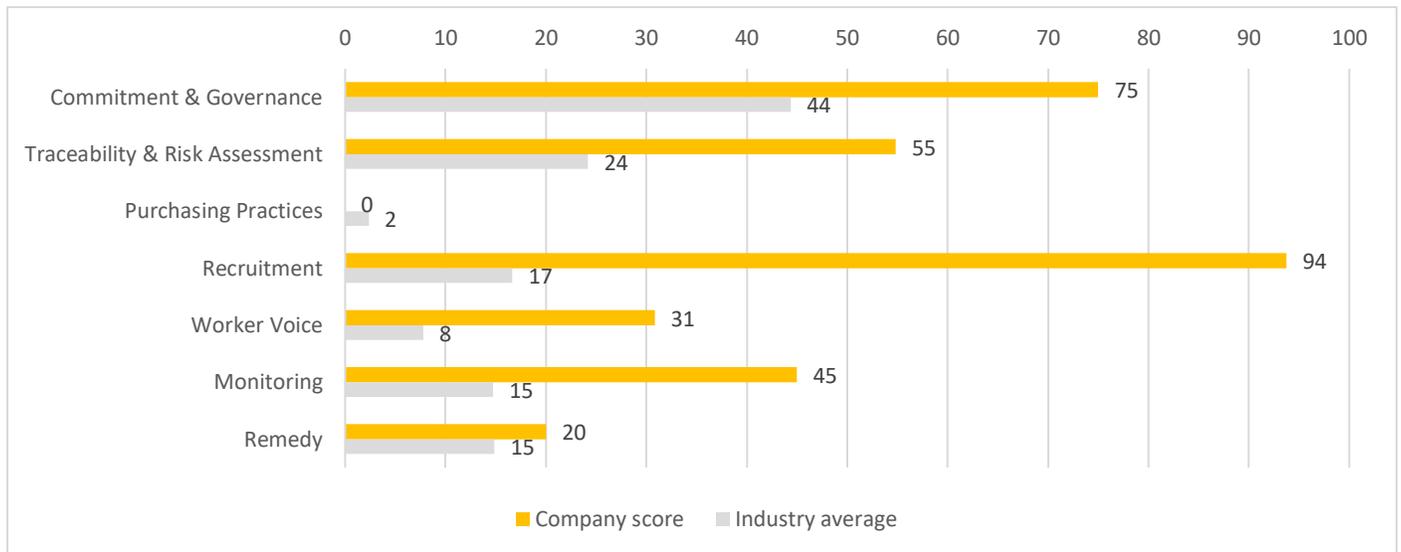
DISCLOSURES
[UK Modern Slavery Act:](#) Yes

[California Transparency in Supply Chains Act:](#) Yes

[Australia Modern Slavery Act:](#) Yes

OVERALL RANKING
4 out of 60

(2020 Rank: 4 out of 49)

OVERALL SCORE
52 out of 100
THEME-LEVEL SCORES

KEY DATA POINTS
SUPPLIER LIST

Yes (Names only, not addresses)

RISK ASSESSMENT

Yes

ENGAGED WITH KNOWTHECHAIN¹

Yes

ALLEGATIONS OF FORCED LABOUR

Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

Yes

HIGH-RISK SOURCING COUNTRIES

China and Malaysia

SUMMARY

Apple Inc. (Apple), the world's largest tech company,² ranks 4th out of 60 companies. Compared to 2020, the company maintained its rank. This is because the company began disclosing stronger detail on comprehensive recruitment fee prevention across supply chain contexts, as well as information on labour agencies used in its supply chains. Notably, the company has the highest score on the theme of Recruitment. KnowTheChain identified two allegations of forced labour in the company's supply chains.³ The company has an opportunity to improve its performance and disclosure on the themes of Purchasing Practices, Worker Voice, and Remedy.

LEADING PRACTICES

Management and Accountability: The company discloses detail on the teams responsible for implementing its supply chain standards on forced labour and human rights due diligence activities, as well as board oversight of its supply chain standards. Apple discloses internal incentives for staff that relate to human rights in its supply chains, reporting that its annual cash incentive program, which relates to executive compensation, incorporates an environmental, social and governance modifier "based on Apple Values."

Risk Assessment: The company reports on how it works with stakeholders to assess and understand risks in its supply chains, as well as steps taken to address risks in collaboration with stakeholders. For example, Apple states that due to the pandemic, it partnered with the International Organisation for Migration to ensure that temporary housing provided by suppliers did not impede workers' freedom of movement.

Recruitment: Apple discloses strong tracing processes of labour agencies in its supply chains, disclosing that it has identified 1,182 labour agencies supporting 482 facilities in 32 countries. The company states that it 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 its supplier selection process. The company also describes comprehensive preventative processes for the charging of recruitment-related fees to supply chain workers. It states that it conducts specialised debt-bonded labour audits which were conducted in 8 supplier countries in 2021.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment. The company may further consider separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

Worker Voice: While the company discloses some information on the number of unionised workers in its supply chains, and the number of supplier sites with collective bargaining agreements: 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. To guarantee protections for supply chain workers on freedom of association and collective bargaining, the company may consider entering into a global framework agreement or enforceable supply chain labour rights agreements with trade unions or worker organisations.

Remedy: To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers, including in the case of allegations.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's [2022 ICT benchmark findings report](#). Research conducted through June 2022 or through September 2022, 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](#).

² Forbes (12 May 2022), "[The World's Largest Tech Companies In 2022: Apple Still Dominates As Brutal Market Selloff Wipes Trillions In Market Value](#)."

³ For more information on the allegations, and the disclosures the company made about its response to those allegations, see the full dataset [here](#).