



The independent impact rating agency™

Apple Inc.

2022 Analysis

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Impact statement



Apple Inc.

Apple Inc. (Apple) is a US headquartered consumer electronics and software company. The Company designs, manufactures, and markets smartphones, tablets, personal computers (PCs), portable and wearable devices. It also offers software and related services, accessories, networking solutions, and third-party digital content and applications. In terms of market share, the Company occupied the first place of smartphone vendors in the world during the fourth quarter of 2021, surpassing Samsung. The Company reported revenues of (US Dollars) US\$365,817 million for the fiscal year ended September 2021, and employed around 154,000 people.

Regarding impact governance, the Company does not have a specifically dedicated sustainability committee, department, or organization at Board-level. However, sustainability governance at Apple is integrated in operational management under the supervision of the Board of Directors with CSR objectives linked to the remuneration of its management and CEO. However, limited information provided on its level and scope of influence across the organization.

Through its activities, the Company generates one material positive impact linked specifically to the SDG target 10.2 by supporting diverse entrepreneurs through the implementation of a Supplier Diversity program. Also, Apple has the potential to contribute positively to various SDGs. For example, it has the potential to contribute to SDG 1.4 for developing products and services with specific accessibility issues for people with vision, hearing, mobility or cognitive disabilities, to SDG 4.4 through its educational digital inclusion programs for different vulnerable groups such as underrepresented or underresourced communities in technology, or to SDG 3.4 with its digital health solutions such as the Apple Watch and its various features.

On the other hand, Apple's main environmental impacts result from the high levels of energy consumed through its data centers, as well as the water withdrawn for cooling processes. Additionally, as a leader in consumer electronics and mobile devices, the Group contributes to the fastest-growing segment of the world's domestic waste stream: electronic waste, while numerous commodities used in the making of electronic products, such as rare earths, may be linked to high social and environmental risks. Finally, due to the handling of personal, sensitive or critical data for its customers, particularly within its cloud business, data security and privacy are also significant risks for the Apple.

Even though Apple has implemented a number of policies to set the expectations and guidelines for most of its environmental and social risks, particularly relating to human rights and data privacy, the Company was involved in several controversies in recent years, the most severe of which include allegations of engaging with a supplier accused of using the forced labour of Uyghurs in China, by the Tech Transparency Project in 2021. Apple was also involved in a number of other human rights violations allegations within its supply chain in Myanmar and the Democratic Republic of Congo, as well as several other controversies on issues relating to data privacy, and selling practices. While Apple has addressed most of the identified material controversies, it has failed to respond to that surrounding the sourcing of minerals in the Democratic Republic of Congo.

Overall, despite the comprehensive set of mitigation strategies put in place by Apple, the identified controversies in which the Company was involved in in recent years were deemed severe enough for Apple to be classified as a Z company or one that "Does cause harm."

impak Score™



Impact type

Z Does cause harm

Where are the positive impacts in the business model

	Business lines					
Impacts	Services	Wearables, Home and Accessories	iPad	Mac	iPhone	
- Supporting diverse entrepreneurs through the implementation of a Supplier Diversity program	○	○	○	○	○	
Business line turnover	18.70%	10.49%	8.71%	9.62%	52.48%	

Positive impact

Positive impact score **0** / 500

Actual positive impacts

	<p>SDG 10. Reduced inequalities</p> <p>Target 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <p>Outcome Empowerment and social, economic and political integration of all</p>	<p>Impact type</p> <div style="border: 1px solid black; padding: 2px 10px; display: inline-block;">B</div>
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Activity

- Supporting diverse entrepreneurs through the implementation of a Supplier Diversity program

Part of activities addressing SDG

3%

What

Outcome in period	No information
Importance of the outcome to stakeholder	High
Outcome threshold	No information
Company objective	No information
SDG	10. Reduced inequalities
SDG target	10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Who

Stakeholders	- Direct: Vulnerable groups
Geographical boundary	Local
	No information
Baseline	No information
Stakeholder characteristics	No information

How much

Scale	No information
Depth	No information
Duration	Long duration: more than one year

Contribution

Depth	No information
Duration	No information

Risk

Evidence risk	High: Sufficient high-quality data needs to be provided to know what impact is occurring. Apple provides clear qualitative information, however, there are no quantitative data to quantify the impact and assess its evolution.
External risk	Non material
Stakeholder participant risk	Low: Apple promotes an inclusive and meaningful stakeholder engagement process by considering vulnerable groups, ensuring an accurate representation of its stakeholders and committing to improve its process over time. Apple undertakes a comprehensive stakeholder mapping and analysis with an array of engagement methods and the appropriate use thereof and evaluates the quality of its stakeholder engagement processes. Ongoing stakeholder engagement process through surveys and partnerships, to ensure that their needs are fully considered for this impact.
Drop off risk	High: Without proper data on impact duration and company follow-ups, it is not possible to assess if the positive impact is likely to continue after the contract is over, and there is a high probability that the positive impact does not endure.
Efficiency risk	Non material
Execution risk	Non material
Alignment risk	High: Apple is a for-profit company and the generation of this impact is not locked into the company's business model and governance practices.
Endurance risk	Non material
Unexpected risk	Non material

Considered positive impacts

SDG	1. No poverty
Target	1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
Outcome	Increase in access to information and communication technologies for the poor and vulnerable

Activity

- Developing products and services with specific accessibility issues for people with vision, hearing, mobility or cognitive disabilities

Criteria	Criteria justification(s)
✓ Activity actually delivered (vs. project or past activity)	Considered as positive impact, but lack of information to calculate % of activities
✓ Linked to SDG target	
✓ Reached threshold to be a positive impact vs a negative impact mitigation	
✓ Clear causal links between the activity and the intended positive outcome (Theory of Change)	
✗ Reached financial materiality (>0.01% of activities)	



SDG	3. Good health and well-being
Target	3.4. By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being
Outcome	Reduction in premature mortality from non-communicable diseases

Activity

- Offering solutions for digital health through the use of information and communication technologies (ICT), such as the Apple Watch and its various features, including Activity rings, alerts for potential irregular heart rhythm, and more

Criteria	Criteria justification(s)
✓ Activity actually delivered (vs. project or past activity)	Considered as positive impact, but lack of information to calculate % of activities
✓ Linked to SDG target	
✓ Reached threshold to be a positive impact vs a negative impact mitigation	
✓ Clear causal links between the activity and the intended positive outcome (Theory of Change)	
✗ Reached financial materiality (>0.01% of activities)	



SDG	4. Quality Education
Target	4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
Outcome	Development of skills needed for employment, decent work and entrepreneurship

Activity

- Supporting educational initiatives to expand learning opportunities in communities that are historically underrepresented or underresourced in technology, particularly with skills for high-demand careers in STEM

Criteria	Criteria justification(s)
✓ Activity actually delivered (vs. project or past activity)	Considered as positive impact, but lack of information to calculate % of activities
✓ Linked to SDG target	
✓ Reached threshold to be a positive impact vs a negative impact mitigation	
✓ Clear causal links between the activity and the intended positive outcome (Theory of Change)	
✗ Reached financial materiality (>0.01% of activities)	



SDG	4. Quality Education
Target	4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
Outcome	Development of skills needed for employment, decent work and entrepreneurship

Activity

- Developing skills needed for employment, decent work and entrepreneurship of vulnerable populations through the Supplier Employee Development Fund to amplify worker voice and expand access to learning and skill development opportunities to more people in the Company's supply chain and surrounding communities

Criteria	Criteria justification(s)
✓ Activity actually delivered (vs. project or past activity)	Considered as positive impact, but lack of information to calculate % of activities
✓ Linked to SDG target	
✓ Reached threshold to be a positive impact vs a negative impact mitigation	
✓ Clear causal links between the activity and the intended positive outcome (Theory of Change)	
✗ Reached financial materiality (>0.01% of activities)	



SDG	10. Reduced inequalities
Target	10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
Outcome	Empowerment and social, economic and political integration of all

Activity

- Supporting diverse entrepreneurs through various programs targeting underrepresented communities, such as the Impact Accelerator and the Entrepreneur Camp targeting Black, Hispanic/Latinx-, and Indigenous-owned businesses, and the Apple Developing Academy targeting communities with high youth unemployment

Criteria	Criteria justification(s)
✓ Activity actually delivered (vs. project or past activity)	Considered as positive impact, but lack of information to calculate % of activities
✓ Linked to SDG target	
✓ Reached threshold to be a positive impact vs a negative impact mitigation	
✓ Clear causal links between the activity and the intended positive outcome (Theory of Change)	
✗ Reached financial materiality (>0.01% of activities)	

Negative impact

Negative impact score **17** / 300

Actual negative impacts

	SDG	3. Good health and well-being	Impact type
	Outcome	Air pollution	
	Company acknowledgement	Yes	

Activity generating negative impact Mitigated

- Emitting air pollutants from the consumption of fuel oil to power generators in the event of electricity outages in data centers

Activity mitigating negative impact

- Installing emissions control systems on emergency generators to reduce remissions of nitrogen

Stakeholders

Indirect Planet Direct Local ecosystems Direct Inhabitants, neighbors

	SDG	6. Clean water and sanitation	Impact type
	Outcome	Water withdrawal and consumption	
	Company acknowledgement	Yes	

Activity generating negative impact Mitigated

- Consuming large amounts of water in data centers for cooling purposes, as well as in Apple facilities and offices as part of operations, including water from water-stressed regions

Activity mitigating negative impact

- Ensuring effective water management of suppliers/business partners through the Clean Water Program
- Reducing freshwater use of by using alternatives such as recycled water, reclaimed water, and rainwater
- Conducting life cycle assessments of manufacturing processes to identify areas for water reduction
- Conducting water risk assessments to inform local water strategy

Stakeholders

Indirect Planet Direct Local ecosystems Direct Local communities

	SDG	7. Affordable and clean energy	Impact type
	Outcome	Energy consumption	
	Company acknowledgement	Yes	

Activity generating negative impact Mitigated

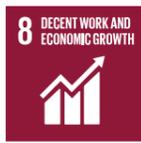
- Consuming energy to power critical hardware and IT infrastructure in data centers: data centers need to be powered continuously and require central processing units, memory, storage, and cooling, leading to high energy consumption

Activity mitigating negative impact

- Providing support through training and workshops to suppliers in order to integrate energy efficiency measures
- Implementing Apple's Supplier Code of Conduct which requires suppliers to disclose emissions in order to execute energy efficiency plans
- Conducting energy audits to identify areas for improvement and related mitigation measures
- Implementing the Supplier Energy Efficiency program in order to assist suppliers in optimizing their facilities and operations
- Increasing energy efficiency of operations through retrocommissioning buildings, such as data centers

Stakeholders

Indirect Planet Direct Local communities Direct Local ecosystems



SDG 8. Decent work and economic growth
 Outcome: Poor labour and working conditions
 Company acknowledgement: Yes

Impact type

Z

Activity generating negative impact **Mitigated**

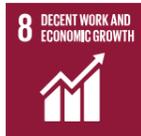
- Contributing to poor labour standards through poor human resource management practices, and poor working conditions in the supply chain, particularly in high-risk countries with high risks of conflicts and human rights violations, as well as in outsourced manufacturing activities

Activity mitigating negative impact

- Implementation of screening criteria on human rights when engaging in a new business relationship
- Implementing policy for recognizing the right of supplier employees to join unions to ensure freedom of association and collective bargaining
- Training supplier employees in regards to human rights
- Engaging with NGOs, governments and experts to improve human rights and working conditions in the sector
- Conducting audits and due diligence of suppliers to ensure the respect of labour and human rights
- Implementation of a human rights policy across the organization
- Implementation of a whistleblowing platform to receive complaints of breaches of labour and human rights across company operations

Stakeholders

- Indirect Local communities
- Indirect Sub-contractors
- Indirect Contractors
- Direct Vulnerable groups
- Direct Vulnerable groups



SDG 8. Decent work and economic growth
 Outcome: Workers' health and safety
 Company acknowledgement: Yes

Impact type

A

Activity generating negative impact **Mitigated**

- Exposing workers to hazardous working conditions, such as exposure to hazardous chemicals in R&D and manufacturing processes, and accidents resulting from the misuse of industrial machinery and processes

Activity mitigating negative impact

- Training employees on safety procedures
- Implementation of a health and safety policy to promote safe work environments across the organization
- Implementation of the Apple ergonomics program to reduce work-related risks, specifically work-related musculoskeletal disorders
- Conducting risk assessments of operations to identify occupational health and safety risks and improve EHS programs and controls
- Implementation of strict guidelines for the handling of hazardous materials

Stakeholders

- Indirect Sub-contractors
- Indirect Contractors
- Direct Vulnerable groups
- Direct Vulnerable groups



SDG 10. Reduced inequalities
 Outcome: Diversity and inclusion
 Company acknowledgement: Yes

Impact type

Z

Activity generating negative impact **Mitigated**

- Potential risk of contributing to gender inequality through under-representation of women in management and STEM-related positions, and potential gender pay gap in the company
- Potential risk of contributing to inequality through under-representation of under-represented ethnic groups in the workforce and in management

Activity mitigating negative impact

- Implementing procedures to address pay inequalities, including by conducting pay equity reviews on a regular basis
- Implementing company-wide paid maternity leaves and a gradual return to work, above the legal requirements
- Establishing employee resource groups aimed at promoting diversity and inclusion
- Training employees on diversity and inclusion topics, including unconscious bias
- Implementing equitable recruiting through inclusive hiring practices training aimed at recruiters

Stakeholders

Indirect Civil society Indirect Local communities Direct Vulnerable groups Direct Women employees



SDG 12. Responsible consumption and production
 Outcome: Product or service lifecycle management
 Company acknowledgement: Yes

Impact type

A

Activity generating negative impact **Mitigated**

- Generating environmental impacts throughout the product's lifecycle from the selection of inputs and raw materials, particularly that of rare-earth metals and conflict minerals, pollution during manufacture and transportation, product use phase, to the solid and chemical waste at the products' end-of-life

Activity mitigating negative impact

- Reducing emissions from transportation through an increase in sea and rail transportation
- Collaborating with recycling partners to ensure that each product can be disassembled and recycled
- Implementing initiatives to collect end-of-life products, through customer trade-in and takeback programs offered online and in store
- Reducing the use of non-recyclable packaging with reusable/eco-friendly packaging
- Contributing to the circular economy loop by refurbishing and repairing products to allow a second life
- Eco-designing products that have a longer lifetime and can be recycled or re-used to ensure lower impact during the lifecycle
- Utilizing raw materials with lower environmental impacts, including recycled materials

Stakeholders

Indirect Civil society Indirect Planet Direct Local ecosystems Direct Local communities



SDG 13. Climate action
 Outcome Greenhouse gas emissions
 Company acknowledgement **Yes**

Impact type

A

Activity generating negative impact **Mitigated**

Emitting greenhouse gases emission through direct and indirect activities:

- Scope 1: direct emissions from fuel consumption, fleet vehicles and R&D processes
- Scope 2: indirect emissions from the purchase of district heating, chilled water, and steam for facilities and data center operations
- Scope 3: indirect emissions from upstream and downstream sources, including manufacturing (purchased goods and services), product use, transportation, employee commute and travel, and end-of-life treatment

Activity mitigating negative impact

- Increasing the share of renewable energy across company sites and supply chain
- Mandating investments and strategies to scale carbon removal through carbon removal projects
- Investing in technologies, infrastructure, and processes such as emissions abatement, that reduce CO2 emissions

Stakeholders

Direct Planet



SDG 16. Peace, justice and strong institutions
 Outcome Customer privacy and data security
 Company acknowledgement **Yes**

Impact type

Z

Activity generating negative impact **Mitigated**

- Generating an impact on data security through the collection of consumers' personal data and sensitive information through Apple's various platforms and services and the commercialization of consumer hardware and smart devices
- Disruption in systems, cyber attacks, or other incidents on data security are significant risks for the Group

Activity mitigating negative impact

- Conducting regular data security assessments of products and services
- Implementation of a whistleblowing platform to receive complaints regarding security or privacy breaches
- Training employees on data protection and customer privacy across company operations
- Implementing data privacy rules for customers, suppliers and business partners to ensure safe handling of customers' data
- Implementation of a data privacy policy across the organization
- Implementation of an information security management system based on the ISO 27001 and ISO 27018 standards (scope: unknown)

Stakeholders

Indirect International organizations **Indirect** Civil society **Direct** Consumers **Direct** Clients



SDG 16. Peace, justice and strong institutions
 Outcome Supply chain management
 Company acknowledgement **Yes**

Impact type

Z

Activity generating negative impact **Mitigated**

- Contributing to various negative social and environmental externalities through inadequate screening of suppliers located in countries and in regions with high risks of conflicts and human and environmental violations, and poor procurement practices

Activity mitigating negative impact

- Establishing disciplinary procedures, including the termination of existing business, in the case of ethics incidents
- Conducting audits of smelters and refiners to ensure that no sourced material contains conflict minerals
- Conducting audits of suppliers to ensure compliance to labour and human rights
- Assessing the CSR performance of suppliers to ensure sustainable practices along the supply chain
- Implementing the Apple Supplier Code of Conducts and the Supplier Responsibility Standards in alignment with international labor and human rights
- Implementation of a whistleblowing platform to receive complaints of human rights or environmental breaches along the supply chain

Stakeholders

- Indirect** Planet
- Indirect** Civil society
- Direct** Local communities
- Direct** Sub-contractors
- Direct** Contractors
- Direct** Local suppliers
- Direct** Local ecosystems



SDG 16. Peace, justice and strong institutions
 Outcome Unethical business conducts
 Company acknowledgement **Yes**

Impact type

Z

Activity generating negative impact **Mitigated**

- Contributing to unethical business conduct in the technology sector through, inter alia, aggressive tax optimization, and lobbying at the detriment of various social and environmental issues

Activity mitigating negative impact

- Establishing disciplinary procedures, including the termination of employment, in the case of ethics incidents
- Implementing an Anti-Corruption policy across the organization
- Implementing a whistleblowing platform to receive complaints of ethical breaches across company operations
- Training employees on ethical behaviour on an annual basis
- Implementing the Business Conduct policy to ensure ethical behavior across the organization

Stakeholders

- Indirect** Customers
- Indirect** Local communities
- Direct** Civil society
- Direct** Employees



SDG 16. Peace, justice and strong institutions
 Outcome Anti-competitive practices
 Company acknowledgement **Yes**

Impact type

Z

Activity generating negative impact **Mitigated**

- Contributing to anti-competitive practices in the technology sector through, inter alia, abuse of dominant market position, issues of intellectual property fraud, and aggressive sales methods

Activity mitigating negative impact

- Implementation of a whistleblowing platform to receive complaints of anti-competitive actions across company operations
- Implementation of an Antitrust and Competition Law Policy to ensure ethical behaviour across the organization

Stakeholders

- Indirect** Customers
- Indirect** Local communities
- Direct** Administration and governments
- Direct** Competitors



SDG 16. Peace, justice and strong institutions
 Outcome: Communication and selling practices
 Company acknowledgement: **Yes**

Impact type

Z

Activity generating negative impact **Mitigated**

- Contributing to poor communication and selling practices through opaque products and services updates, sales terms, and abusive selling practices

Activity mitigating negative impact

- Training retail employees on clear communication practices regarding products and services
 - Implementation of a platform to collect customer feedback

Stakeholders

Indirect Civil society **Indirect** Administration and governments **Direct** Consumers **Direct** Clients

Potential negative impacts



SDG 3. Good health and well-being
 Outcome: Consumer welfare, health and safety
 Company acknowledgement: **Yes**

Impact type

A

Activity generating negative impact **Mitigated**

- Potential risk of designing and commercializing unsafe electronic products that can cause bodily harm or damage to property if they malfunction

Activity mitigating negative impact

- Monitoring product-use in real time and investigating potential associated risks
 - Training customers on the safe use of products to prevent health and safety risks
 - Conducting customers' satisfaction reviews to collect feedback and prevent future externalities associated with products and services
 - Offering online settings to further enhance product safety regarding age-appropriate content

Stakeholders

Indirect Civil society **Indirect** Administration and governments **Direct** Consumers **Direct** Clients

Impact results

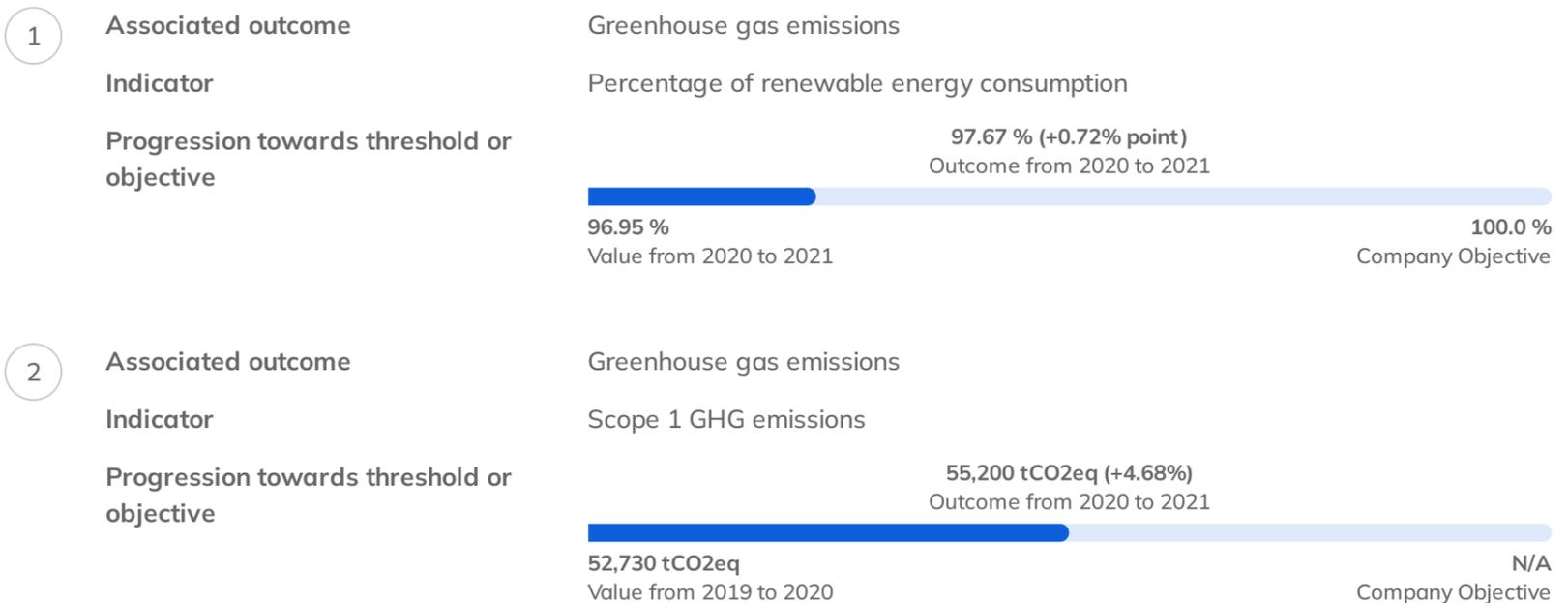
Reducing negative impact

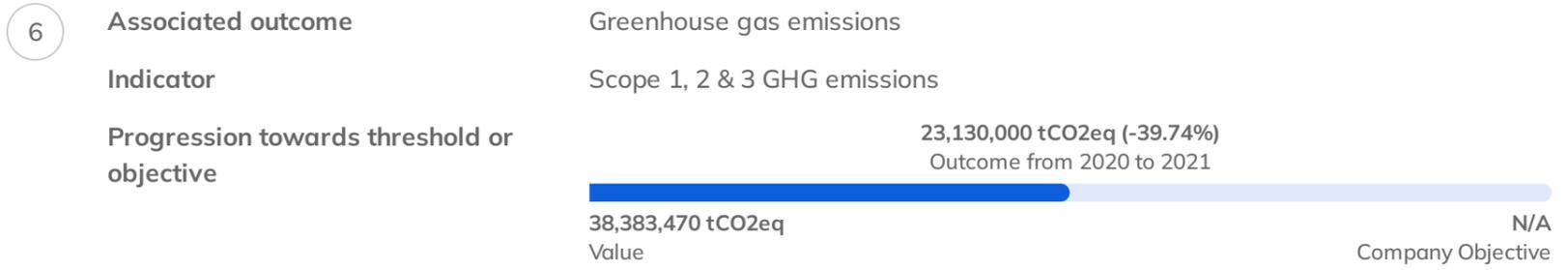
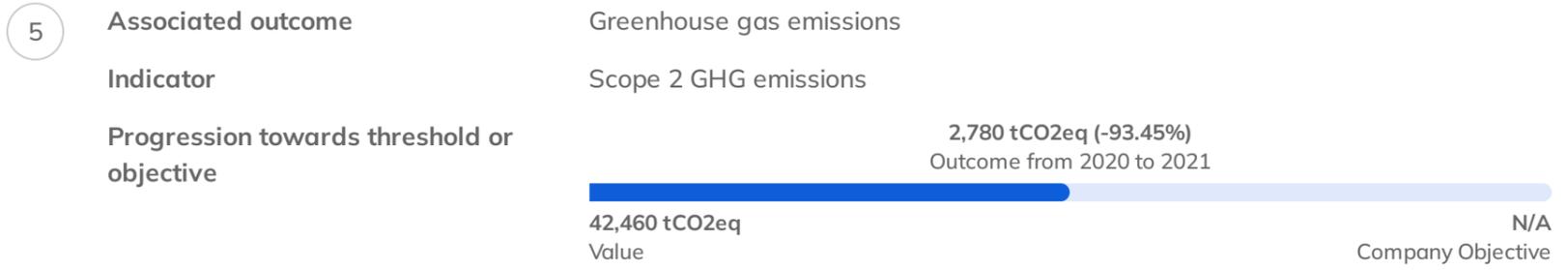
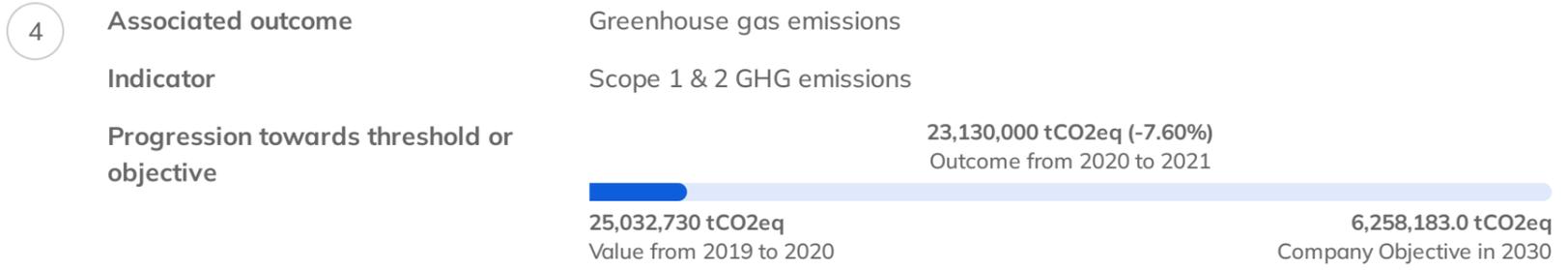
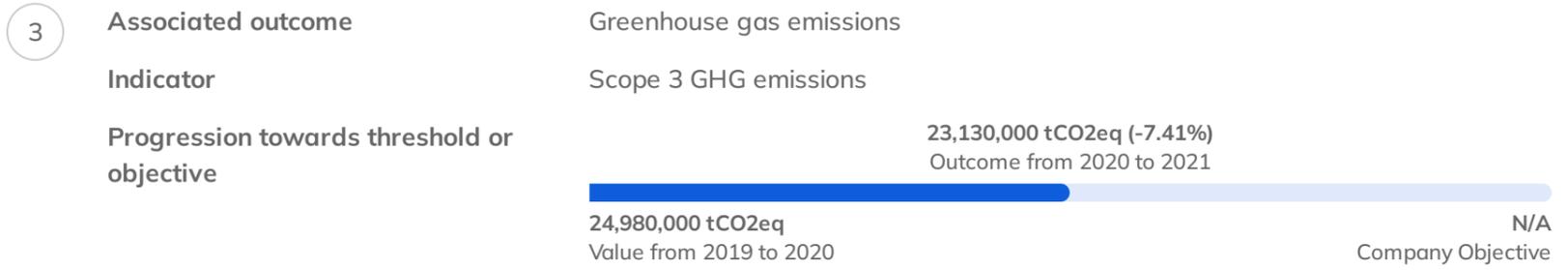
SDG	Outcomes covered	Total indicators
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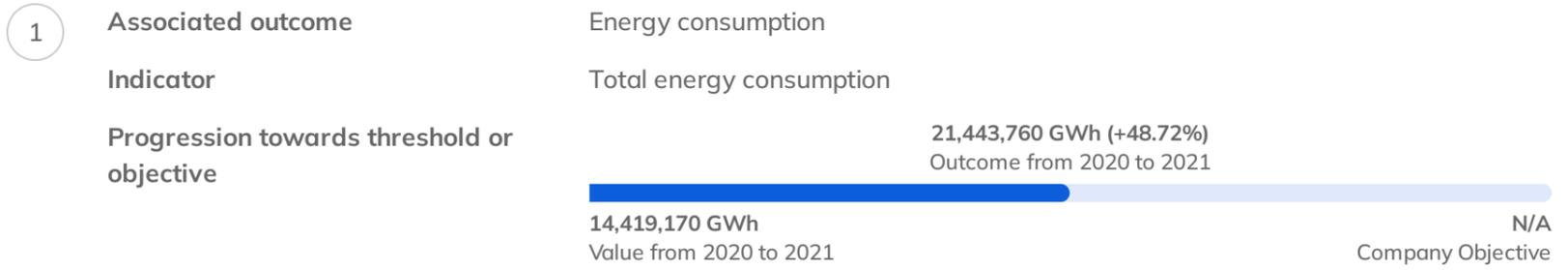
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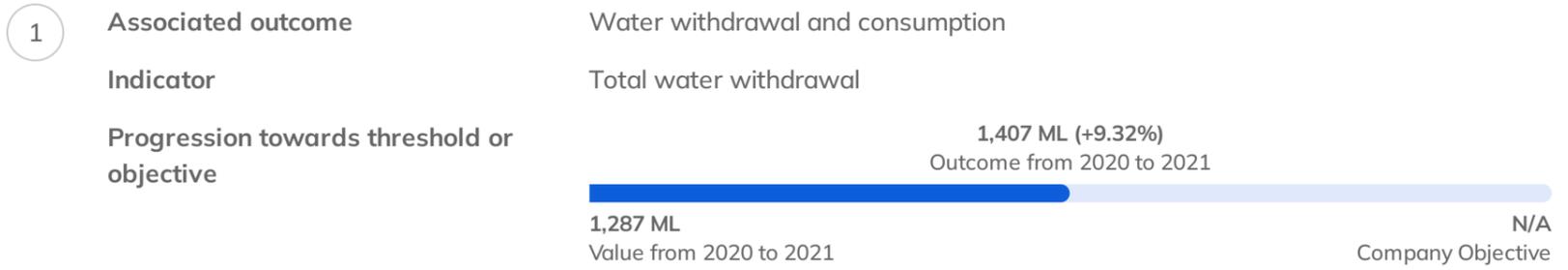




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1	Associated outcome	Diversity and inclusion
	Indicator	Percentage of women within the organization's governance bodies - Executive Board
	Progression towards threshold or objective	<p style="text-align: right;">55.00 % (+17.50% point) Outcome from 2020 to 2021</p>  <p>37.50 % Value from 2020 to 2021</p> <p style="text-align: right;">N/A Company Objective</p>
2	Associated outcome	Diversity and inclusion
	Indicator	Percentage of women per employee category - management position
	Progression towards threshold or objective	<p style="text-align: right;">47.00 % (0.00% point) Outcome from 2020 to 2021</p>  <p>47.00 % Value from 2020 to 2021</p> <p style="text-align: right;">N/A Company Objective</p>
3	Associated outcome	Diversity and inclusion
	Indicator	Percentage of women per employee category - total workforce
	Progression towards threshold or objective	<p style="text-align: right;">34.80 % (0.00% point) Outcome from 2020 to 2021</p>  <p>34.80 % Value from 2020 to 2021</p> <p style="text-align: right;">N/A Company Objective</p>

References

[Suppliers 2021](#)

[BisConduct 2021](#)

[Proxy 2022](#)

[Exerica Breakdown](#)

[10-K 2021](#)

[Exerica Data Financial Overview](#)

[ESG Report 2021](#)

[Supplier List 2021](#)

[Env Report 2021](#)

[Supply chain 2021](#)

[CDP 2022](#)

