

Apple Supplier Code of Conduct

Apple is committed to ensuring that working conditions in Apple's supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible. Apple's suppliers ("Suppliers") commit, in all of their activities, to operate in full compliance with the laws, rules, and regulations of the countries in which they operate. This Supplier Code of Conduct ("Code") goes further, drawing upon internationally recognized standards, in order to advance social and environmental responsibility.

Apple requires that Suppliers implement this Code using the management systems described below. Apple may visit (and/or have external monitors visit) Supplier facilities, with or without notice, to assess compliance with this Code and to audit Supplier's wage, hour, payroll, and other worker records and practices. Violations of this Code may result in immediate termination as an Apple Supplier and in legal action.

The Apple Supplier Code of Conduct is modeled on and contains language from the Electronic Industry Code of Conduct. Recognized standards such as the Universal Declaration of Human Rights (UDHR), and standards issued by organizations such as the International Labour Organization (ILO), Social Accountability International (SAI), and the Ethical Trading Initiative (ETI) were used as references in preparing this Code and may be useful sources of additional information. A complete list of references is provided at the end of this Code. As an extension of the Code, Apple maintains a series of detailed Standards that clarify our expectations for compliance.

Labor and Human Rights

Suppliers must uphold the human rights of workers, and treat them with dignity and respect as understood by the international community.

Antidiscrimination

Suppliers shall not discriminate against any worker based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, or marital status in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline, and termination. Suppliers shall not require a pregnancy test or discriminate against pregnant workers except where required by applicable laws or regulations or prudent for workplace safety. In addition, Suppliers shall not require workers or potential workers to undergo medical tests that could be used in a discriminatory way except where required by applicable law or regulation or prudent for workplace safety.

Fair Treatment

Suppliers shall commit to a workplace free of harassment. Suppliers shall not threaten workers with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, verbal abuse or unreasonable restrictions on entering or exiting company provided facilities. Suppliers shall prohibit harassment and unlawful discrimination in the workplace.

Prevention of Involuntary Labor

Suppliers shall not use any form of forced, bonded, indentured, or prison labor. All work must be voluntary and workers shall be free to leave work or terminate their employment with reasonable notice. Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment. Suppliers shall ensure that third party agencies providing workers to Supplier are compliant with the provisions of the Code and the laws of the sending and receiving countries, whichever is more stringent in its protection of workers. Suppliers shall ensure that contracts for both direct and contract workers clearly convey the conditions of employment in a language understood by the worker. Where workers are required to pay a fee in connection with obtaining employment, Suppliers shall be responsible for payment of all fees and expenses in excess of the amount of one month of the worker's anticipated net wages. Such fees and expenses include, but are not limited to expenses associated with recruitment, processing or placement of both direct and contract Workers.

Prevention of Under Age Labor

Child labor is strictly prohibited. Suppliers shall not employ children. The minimum age for employment or work shall be 15 years of age, the minimum age for employment in that country, or the age for completing compulsory education in that country, whichever is higher. This Code does not prohibit participation in legitimate workplace apprenticeship programs that are consistent with Article 6 of ILO Minimum Age Convention No. 138 or light work consistent with Article 7 of ILO Minimum Age Convention No. 138.

Juvenile Worker Protections

Suppliers may employ juveniles who are older than the applicable legal minimum age for employment but are younger than 18 years of age, provided they do not perform work likely to jeopardize their health, safety, or morals, consistent with ILO Minimum Age Convention No. 138.

Working Hours

Except in emergency or unusual situations, a workweek shall be restricted to 60 hours, including overtime, and workers shall take at least one day off every seven-days. All overtime shall be voluntary. Under no circumstances shall workweeks exceed the maximum permitted under applicable laws and regulations.

Wages and Benefits

Suppliers shall pay all workers at least the minimum wage required by applicable laws and regulations and provide all legally mandated benefits. In addition to their compensation for regular hours of work, workers shall be compensated for overtime hours at the premium rate required by applicable laws and regulations. Suppliers shall not use deductions from wages as a disciplinary measure. Suppliers shall offer vacation time, leave periods, and holidays consistent with applicable laws and regulations. Suppliers shall pay workers in a timely manner and clearly convey the basis on which workers are being paid.

Freedom of Association

Suppliers must respect the right of workers to associate freely, form and join workers organizations of their own choosing, seek representation, and bargain collectively, as permitted by and in accordance with applicable laws and regulations. Suppliers shall not discriminate with respect to employment based on union membership and, in particular, shall not make

employment subject to the condition that the worker relinquish union membership or agree not to join a union or cause the dismissal of or otherwise prejudice a worker by reason of union membership or participation in union activities outside working hours (or within working hours if the Supplier has consented to such activities or if required by applicable law or regulation). Suppliers shall protect against acts of interference with the establishment, functioning, or administration of workers' organizations in accordance with applicable laws and regulations.

Health and Safety

Apple recognizes that integrating sound health and safety management practices into all aspects of business is essential to maintain high morale and produce innovative products. Suppliers shall commit to creating safe working conditions and a healthy work environment for all of their workers.

Occupational Injury Prevention

Suppliers shall eliminate physical hazards where possible. Where physical hazards cannot be eliminated, Suppliers shall provide appropriate engineering controls such as physical guards, interlocks, and barriers. Where appropriate engineering controls are not possible, Suppliers shall establish appropriate administrative controls such as safe work procedures. In all cases, Suppliers shall provide workers with appropriate personal protective equipment. Workers shall not be disciplined for raising safety concerns and shall have the right to refuse unsafe working conditions without fear of reprisal until management adequately addresses their concerns.

Prevention of Chemical Exposure

Suppliers shall identify, evaluate, and control worker exposure to hazardous chemical, biological, and physical agents. Suppliers must eliminate chemical hazards where possible. Where chemical hazards cannot be eliminated, Suppliers shall provide appropriate engineering controls such as closed systems and ventilation. Where appropriate engineering controls are not possible, Suppliers shall establish appropriate administrative controls such as safe work procedures. In all cases, Suppliers shall provide workers with appropriate personal protective equipment.

Emergency Prevention, Preparedness, and Response

Suppliers shall anticipate, identify, and assess emergency situations and events and minimize their impact by implementing emergency plans and response procedures, including emergency reporting, worker notification and evacuation procedures, worker training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment, adequate exit facilities, and recovery plans. Suppliers shall incorporate C-TPAT security criteria into their business processes as described in the U.S. Customs website, www.cbp.gov.

Occupational Safety Procedures and Systems

Suppliers shall establish procedures and systems to manage, track, and report occupational injury and illness. Such procedures and systems shall encourage worker reporting, classify and record injury and illness cases, investigate cases and implement corrective actions to eliminate their causes, provide necessary medical treatment, and facilitate the workers' return to work.

Ergonomics

Suppliers shall identify, evaluate, and control worker exposure to physically demanding tasks, including manual material handling, heavy lifting, prolonged standing, and highly repetitive or forceful assembly tasks.

Dormitory and Dining

Suppliers shall provide workers with clean toilet facilities, access to potable water, and sanitary food preparation and storage facilities. Worker dormitories provided by the Supplier or a third party agency shall be clean and safe and provide adequate emergency egress, adequate heat and ventilation, reasonable personal space, and reasonable entry and exit privileges.

Health and Safety Communication

In order to foster a safe work environment, Suppliers shall provide workers with appropriate workplace health and safety information and training, including written health and safety information and warnings, in the primary language of the workers. Suppliers shall post, in the primary language of its workers, Material Safety Data Sheets for any hazardous or toxic substances used in the workplace and properly train workers who will come into contact with such substances in the workplace.

Worker Health and Safety Committees

Suppliers are encouraged to initiate and support worker health and safety committees to enhance ongoing health and safety education and to encourage worker input regarding health and safety issues in the workplace.

Environmental Impact

At Apple, environmental considerations are an integral part of our business practices. Suppliers shall commit to reducing the environmental impact of their designs, manufacturing processes, and waste emissions.

Hazardous Substance Management and Restrictions

Suppliers shall comply with the most recent version of Apple's Regulated Substances Specification, 069-0135 and with any applicable laws and regulations prohibiting or restricting the use or handling of specific substances. To ensure safe handling, movement, storage, recycling, reuse, and disposal, Suppliers shall identify and manage substances that pose a hazard if released to the environment and comply with applicable labeling laws and regulations for recycling and disposal.

Solid Waste Management

Suppliers shall manage and dispose of non-hazardous solid waste generated from operations as required by applicable laws and regulations.

Wastewater and Stormwater Management

Suppliers shall monitor, control, and treat wastewater generated from operations before discharge as required by applicable laws and regulations. Supplier shall take appropriate precautions to prevent contamination of stormwater runoff from its facilities.

Air Emissions Management

Supplier shall characterize, monitor, control and treat air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals, and combustion by-products generated from operations, as required by applicable laws and regulations, before discharge.

Environmental Permits and Reporting

Suppliers must obtain, maintain, and keep current all required environmental permits (e.g. discharge monitoring) and registrations and follow the operational and reporting requirements of such permits.

Pollution Prevention and Resource Reduction

Suppliers must endeavor to reduce or eliminate solid waste, wastewater and air emissions, including energy-related indirect air emissions, by implementing appropriate conservation measures in their production, maintenance and facilities processes, and by recycling, re-using, or substituting materials.

Ethics

Suppliers must be committed to the highest standards of ethical conduct when dealing with workers, suppliers, and customers.

Business Integrity

Corruption, extortion, and embezzlement, in any form, are strictly prohibited. Suppliers shall not violate the Foreign Corrupt Practices Act (FCPA), any international anti-corruption conventions, and applicable anti-corruption laws and regulations of the countries in which they operate, and shall not engage in corruption, extortion or embezzlement in any form. Suppliers shall not offer or accept bribes or other means to obtain an undue or improper advantage. Suppliers must uphold fair business standards in advertising, sales, and competition.

Disclosure of Information

Suppliers must accurately record and disclose information regarding their business activities, structure, financial situation, and performance in accordance with applicable laws and regulations and prevailing industry practices.

Whistleblower Protection and Anonymous Complaints

Suppliers shall create programs to ensure the protection of Supplier and worker whistleblower confidentiality and prohibit retaliation against workers who participate in such programs in good faith or refuse an order that is in violation of the Apple Supplier Code of Conduct. Suppliers shall provide an anonymous complaint mechanism for workers to report workplace grievances in accordance with local laws and regulations.

Community Engagement

Suppliers are encouraged to engage the community to help foster social and economic development and to contribute to the sustainability of the communities in which they operate.

Protection of Intellectual Property

Suppliers must respect intellectual property rights; safeguard customer information; and transfer of technology and know-how must be done in a manner that protects intellectual property rights.

Management Commitment

Suppliers must adopt or establish a management system designed to ensure compliance with this Code and applicable laws and regulations, identify and mitigate related operational risks, and facilitate continuous improvement. ISO 14001, OHSAS 18001, Eco Management and Audit System (EMAS) may be useful resources. The management commitment should contain the following elements:

Company Statement

A corporate social and environmental responsibility statement affirming the Supplier's commitment to compliance and continual improvement, to be posted in the primary local language at all of the Supplier's worksites.

Management Accountability and Responsibility

Clearly identified company representatives responsible for ensuring implementation and periodic review of the status of the Supplier's management systems.

Risk Assessment and Management

A process to identify environmental, health and safety, business ethics, labor, human rights, and legal compliance risks associated with their operations, determine the relative significance of each risk, and implement appropriate procedures and physical controls to ensure compliance and control the identified risks. Risk assessments for health and safety must include warehouse and storage facilities, plant and facility support equipment, laboratories and test areas, bathrooms, kitchens, cafeterias, and worker housing.

Performance Objectives with Implementation Plans and Measures

Written standards, performance objectives, targets, and implementation plans, including a periodic assessment of the Supplier's performance against those objectives.

Audits and Assessments

Periodic self-evaluations to ensure that the Supplier, its subcontractors and its next-tier Suppliers are complying with this Code and with applicable laws and regulations.

Documentation and Records

Supplier shall have processes to identify, monitor, and understand applicable laws and regulations and the additional requirements imposed by this Code. Supplier shall obtain, maintain and keep current a valid business license as required by applicable laws and regulations.

Creation of documents and records to ensure regulatory compliance and conformity to this Code, with appropriate confidentiality measures to protect privacy.

Training and Communication

Programs for training managers and workers to implement the Supplier's policies and procedures and fulfill Supplier's improvement objectives.

A process for communicating clear and accurate information about the Supplier's performance, practices, and expectations to its workers, suppliers, and customers.

Worker Feedback and Participation

An ongoing process to obtain feedback on processes and practices related to this Code and to foster continuous improvement.

Corrective Action Process

A process for timely correction of any deficiencies identified by an internal or external audit, assessment, inspection, investigation, or review.

References

Apple consulted the following references in preparing this Code.

Eco Management & Audit System

www.quality.co.uk/emas.htm

Electronic Industry Code of Conduct

http://www.eicc.info/EICC_CODE.htm

Ethical Trading Initiative

www.ethicaltrade.org/

ILO Code of Practice in Safety and Health

www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf

ILO International Labor Standards

www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm

ISO 14001

www.iso.org

National Fire Protection Agency

www.nfpa.org/catalog/home/AboutNFPA/index.asp

OECD Guidelines for Multinational Enterprises

www.oecd.org

OHSAS 18001

www.bsi-global.com/index.xalter

SA 8000

www.cepaa.org/

SAI

www.sa-intl.org

United Nations Convention Against Corruption

www.unodc.org/unodc/en/crime_convention_corruption.html

United Nations Global Compact

www.unglobalcompact.org

Universal Declaration of Human Rights

www.un.org/Overview/rights.html

UN Norms on the Responsibilities of Transnational Corporations and other Business Enterprises with Regard to Human Rights

www.ohchr.org

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