9.28.16 Apple's Commitment to Responsible Sourcing

Apple is deeply committed to the responsible sourcing of materials that go into our products. We work to safeguard the well-being of people involved in our supply chain, to protect the places where these materials are found, and to ensure that the sale of minerals does not finance armed conflict.

Apple's mission is to leave the world better than we found it — through our products and our actions. In some cases that means making the difficult choice to stay and work in regions facing some of the most challenging political, economic, and environmental problems in the world so that we can make a difference. That's the reason we're focused on leading change in our industry and partnering closely with groups on the ground to improve conditions in countries like Indonesia and the Democratic Republic of Congo (DRC).

We're proud that our responsible sourcing program is one of the most robust in the world. It has grown to include 40 materials such as tin, tantalum, tungsten, and gold, which have been designated as "conflict minerals"; in 2014 we added cobalt.

Our program

To help mining communities and protect the environment we must first understand where the materials in our supply chain come from. In 2010, we began mapping our supply chain for tin, tantalum, tungsten, and gold down to the mine level, identifying labor and environmental risks, and working with key stakeholders, suppliers, and governments to proactively address and help solve existing issues.

We were one of the first companies to map our supply chain, and the first to transparently list the smelters that we do business with. We could easily have limited our supply chain to smelters that agreed to a third-party audit and declared our products "conflict free," but that would do nothing to help combat the real problem. Instead, we chose to stay engaged, go to the broadest possible list of hundreds of smelters, and work closely with them to develop responsible sources. We wanted to improve the entire base, not just take the easiest path forward.

In December 2015, after five years of devoted effort and due diligence, 100 percent of the identified smelters and refiners in Apple's broad supply chain — nearly 250 smelters and refiners for tin, tantalum, tungsten, and gold — were participating in an independent third-party conflict minerals audit program.

Our work goes beyond compliance at the smelter level and we are actively engaged directly with mining companies. We've developed stronger standards and are working to design a consistent third-party audit process across the mining industry.

Our team has spent thousands of hours on the ground in the DRC and surrounding areas identifying risk and following up on human rights concerns. We have worked with suppliers, local miners, traders, and civil society leaders, international NGOs, Tetra Tech (USAID implementing partner), and DRC government mining officials to drive responsible sourcing practices and protect human rights.

Cobalt

Apple began mapping the cobalt supply chain in 2014 to determine the flow of cobalt from the extractive level to our finished product. We are applying what we learned in tackling the challenges associated with conflict minerals to our responsible sourcing of cobalt. Roughly 80 percent of the cobalt we use comes from mines associated with well-established responsible sourcing practices. The remaining 20 percent comes from sources that don't currently have responsible sourcing programs in place to meet our rigorous requirements, and we're working closely with these suppliers to develop them.

Apple could shift 100 percent of its supply chain to companies with verified responsible sourcing programs for cobalt and avoid any association with the difficult problems facing the industry, but that wouldn't effect change. We've consciously chosen to stay engaged with mines and smelters that are not yet meeting our high standards and will work with them to develop responsible practices. If they are ultimately unwilling or unable to change and improve, we will terminate our relationship with them.

The problems in the DRC are far-reaching and complex and will take a collective effort to drive resolution. Apple does not purchase enough cobalt to solve this problem alone. We spearheaded, along with the China Chamber of Commerce of Metals Minerals & Chemicals Importers & Exporters, the formation of the world's first Cobalt Working Group with companies across the cobalt supply chain, as well as representatives from the OECD, to undertake collective action in addressing the social and environmental risks of cobalt. We also created standardized audit protocols that can be used by cobalt suppliers and adopted by peer companies and industry associations.

Additionally, we have funded programs with international NGOs, local stakeholders, and industry partners to increase the number of registered miners in conflict-free channels and have provided educational and health care support to mining communities. We are developing programs that seek to eliminate child labor in cobalt mining; codifying best practices for small-scale miners to improve their productivity, health, and safety; and improving methods for tracking and trading materials from the mine to the smelter or refiner.

We are proud to support the work of those tackling human rights challenges directly on the ground in the DRC. This support includes working with Pact, the internationally renowned NGO, with whom we are developing specific programming to address child labor in cobalt mining in the former Katanga province. We have also made a grant to the Fund for Global Human Rights, an international organization that provides financial and other support to grassroots human rights activists in the DRC who are working to end child labor and stem human rights abuses in mining communities.

We know our work is never done, but by strengthening due diligence at every level of our supply chain, and partnering with like-minded companies and organizations, we will continue to aggressively pursue the protection of human rights and the environment along our supply chain.