



Alyn Smith MEP
SNP HQ, Gordon Lamb House 3
Jackson's entry
Edinburgh EH8 8PJ
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18th November 2014,

Dear Mr Smith,

Re: Conflict minerals

Thank you for your letter of the 30th October regarding Apple's supply chain addressed to our CEO Tim Cook. It was passed to me as I manage Apple's government engagement in Brussels.

Apple strongly believes that every worker has the right to safe and ethical working conditions and recognises the importance of conserving valuable resources. In this respect, we have many initiatives in place to address the specific problem of conflict minerals and a number of other programmes to promote supplier responsibility including protecting our suppliers' workforce.

In answer to your specific questions I outline below some examples: 1) to ensure minerals we use do not fuel conflict, and, 2) to promote secure, sustainable and fair conditions across our supply chain.

1) Measures to ensure that minerals used in the production of Apple devices do not fuel conflict:

- Apple takes the issue of conflict minerals very seriously. We have submitted our first report to the US SEC on 29 May 2014 pursuant to our new obligations under the Dodd-Frank Act. Our report can be publicly consulted here <http://investor.apple.com/secfiling.cfm?filingid=1193125-14-217311&cik>
- We believe the best way for Apple to impact human rights abuses on the ground in the Democratic Republic of the Congo is to have a critical mass of smelters verified as conflict-free. We are focused on expanding the verified smelter base rather than simply funnelling our demand through a limited number of verified smelters or those that are not sourcing in the DRC.
- Apple was one of the first companies to survey our suppliers to identify the smelters they use and understand the potential entry points for conflict minerals. We are driving smelters and refiners to be compliant with the Conflict-Free Smelter Program (CFSP) or an equivalent third party audit program.
- Each quarter we publish the names, countries, and CFSP participation status of the smelters and refiners in our supply chain. In January 2014, we confirmed that all active, identified tantalum smelters in Apple's supply chain were validated as conflict-free by third-party auditors.
- In addition, we continue to work with NGOs, trade groups, government agencies, and others to support economic development and keep up the pressure to drive real change. The in-region programs we support include the Conflict-Free Tin Initiative (CFTI), KEMET's Partnership for Social and Economic Sustainability, Solutions for Hope, and the Public-Private Alliance (PPA).
- However our work is not limited to Africa. A large percentage of the world's tin - including tin in Apple products - comes from Bangka and Belitung Islands, Indonesia. After learning that some of the tin may contribute to environmental damage or pose risks to miners, Apple went to Indonesia to investigate. We have been working with the Electronic Industry Citizenship Coalition (EICC) and IDH Sustainable Trade Initiative to develop the Indonesian Tin Working Group, whose goal is to explore how its members can help remedy the environmental and social challenges facing the industry.

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2) Measures to promote secure, sustainable and fair conditions across our supply chain more generally:

- To do business with Apple, our suppliers must live up to the toughest standards in the industry, and we make sure there is no confusion about our expectations. We require that our suppliers abide by our Supplier Code of Conduct, which is one of the toughest in the electronics industry, and we ensure compliance throughout the chain by conducting hundreds of audits per year worldwide, with the support of local third party experts. Since the first audits in 2006, we have expanded our audit coverage beyond our 18 final assembly facilities. Audits have been conducted in 16 countries, and in 2013, our 451 audits covered nearly 1.5 million workers.
- We train factory supervisors how to meet the high bar we set, with instruction on communicating with workers, maintaining a safe and respectful workplace, and avoiding harassment. Since 2007, more than 3.8 million workers and managers in our supply chain have received this training;
- Workweeks exceeding 60 hours have been a persistent problem for the electronics industry, and reducing excessive overtime remains a priority for Apple. In 2013 we tracked weekly work hours for over one million people throughout our supply chain and drove our suppliers to achieve an average of 95% compliance with a maximum 60-hour workweek;
- In 2013-14, representatives from 64 suppliers - covering more than 240,000 workers - attended our Ethical Hiring training, which focuses on the recruitment and management of student, dispatch, and juvenile workers; management of private employment agencies; and prevention and remediation of underage labour;
- We continue to seek out abuses of migrant workers by conducting audits (33 in 2013-14) specific to this topic. Last year we required suppliers to reimburse these foreign contract workers US\$3.9 million in excessive fees paid to labour brokers, bringing our total reimbursements since 2008 to US\$16.9 million;
- Apple does not tolerate underage labour and is working to eradicate it from the industry. We thoroughly audit our supply chain on an annual basis. In 2013-14 we conducted 451 such assessments, covering 1.5 million workers. Any supplier found with underage labour is placed on probation. In the most egregious cases, we terminate the business relationship.

I hope that these examples are welcome reflections of Apple's commitment to a secure, sustainable and fair supply chain.

For a more complete picture I would encourage you to read our [Supplier Responsibility Progress Report](#), published annually, which outlines in full our commitments to ensure secure, sustainable and fair conditions across our supply chains.

If you would like to discuss these issues further, I would be happy to meet with you to explain our work in more detail.

Yours sincerely,

Per Hellstrom
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