

# Despite Supplier Audits, Apple Investors Demand More

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CUPERTINO, CA — In 2009, three of [Apple's](#) suppliers hired a total of 11 underage workers. Three facilities -- presumably different facilities -- were found to be improperly disposing of their hazardous waste. And at more than half the sites Apple audited in 2009, workweek limits were violated over half the time.

These infringements, relatively minor though they may be, represent violations to the core principles of Apple's Supplier Code of Conduct, and were uncovered and published in the company's third annual "Supplier Responsibility Report."

Category	Subcategory	Practices in Compliance	Management Systems in Place
Environmental Impact		74%	73%
	Hazardous substance management	70%	69%
	Wastewater management	87%	86%
	Air emissions management	74%	72%
	Solid waste management	97%	97%
	Environmental permits and reporting	57%	58%

That report lays out how Apple is working on human rights, labor, and environmental issues with its manufacturing partners, and goes to great depth in exploring the various minor and not-so-minor infractions, as well as the corrective actions that Apple has taken with those suppliers.

"Apple requires suppliers to commit to our comprehensive Supplier Code of Conduct as a condition of their contracts with us," according to the introduction of the report. "We drive compliance with the Code through a rigorous monitoring program, including factory audits, corrective action plans, and verification measures."

In 2009, Apple says it audited 102 suppliers and trained 133,000 workers, supervisors and managers in China, the Czech Republic, Malaysia, the Philippines, Singapore, South Korea, Taiwan, Thailand, and the United States. On the environmental front, the chart below shows compliance levels -- solid waste and waste management show high levels of compliance, while environmental permits and hazardous substance management rules are less widely followed.

At the same time the report was being released, Apple's board members and shareholders were also hearing criticisms of the company's reporting practices. **Advocacy group The As You Sow Foundation** has filed a shareholder resolution asking why, despite the disclosure Apple makes on environmental and social issues, the company will neither publish a Corporate Social Responsibility (CSR) report like its industry peers, nor make any public commitments to reducing greenhouse gas emissions.

"[Apple board member and former Vice President] Al Gore won a Nobel Prize for his climate change education and activism efforts," Conrad MacKerron, director of the group's Corporate Social Responsibility Program, said in a statement. "With a figure of this caliber on its board, Apple should be second to none in greenhouse gas reduction commitments and detailed discussion of its approach to the issue."

As You Sow compares Apple's reporting practices to others in the IT industry and finds the firm falling short of the standards set by Dell and Hewlett Packard, including in not disclosing OSHA data on injury data, privacy data, employee engagement data, and corporate philanthropy data. Among the key elements As You Sow says is missing from Apple's environmental reporting are:

- **Greenhouse Gas Reduction Goals.** No disclosure of green house gas (GHG) reduction goals. Dell and HP provide multiple goals and substantial discussion of emission reduction efforts.
- **Environmental Product Design Goals.** Apple has not disclosed any goals; Dell has.
- **Energy Efficiency Goals.** Company provides no goals; Dell and HP provide multiple goals.
- **Packaging Reduction Goals.** Apple provides no goals; Dell sets multiple goals.

Apple has by and large been praised for its recent environmental goals; after being the target of a campaign by Greenpeace to "Green My Apple," the company has come clean on its impacts, scored well on a list of energy-efficient computers and earned kudos for removing toxics from its computers.

Despite the praise, the company has still been under fire since its board last month rejected calls to publish an annual CSR report.