

# **Supplier Responsibility**

2009 Progress Report

February 2009

# **Contents**

Page 3 Executive Summary

Apple and Supplier Responsibility Setting Clear Expectations 2008 Program Highlights

Page 5 Monitoring Compliance

The Audit Process

The Corrective Action Process

Page 6 Audit Results

Core Violations and Corrective Actions

Compliance Overview Management Systems

Page 12 Continuous Improvement

Repeat Audits Show Progress

Worker Training

Page 14 Integration into Apple Business

Accountability Through Business Reviews
Educating and Empowering Apple Employees

Page 15 Supplier Employee Education and Development

Page 16 Supplier Code of Conduct Revisions

# **Executive Summary**

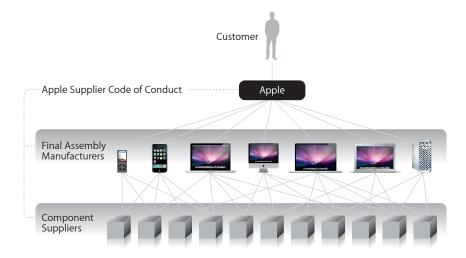


# Apple and Supplier Responsibility

Apple is committed to ensuring the highest standards of social responsibility throughout our supply chain. The companies we do business with must provide safe working conditions, treat employees with dignity and respect, and use environmentally responsible manufacturing processes wherever Apple products are made.

For the past several years, Apple has required suppliers to commit to a comprehensive Supplier Code of Conduct as a condition of their contracts with us. We drive compliance to the Code through an aggressive monitoring program, including factory audits, corrective action plans, and verification measures.

Apple's approach to supplier responsibility extends beyond compliance monitoring. We also provide detailed standards and ongoing training support to help suppliers continue to meet our expectations. And by making social responsibility part of the way we do business, we ensure that suppliers take our standards as seriously as we do.



Apple products and components are manufactured by a wide variety of suppliers around the world. The final assembly of most products occurs in China.

# Setting Clear Expectations

The Apple Supplier Code of Conduct outlines a comprehensive set of expectations covering labor, human rights, the environment, health and safety, ethics, and management systems. Every Apple supplier contract includes a commitment to comply with the Code.

Our Supplier Code of Conduct draws on internationally recognized standards. While similar to the Electronics Industry Citizenship Coalition (EICC) Code of Conduct, it is more stringent in several important areas. For example, Apple's Code includes concepts from the International Labor Organization (ILO) conventions regarding the rights of workers to freely associate and bargain collectively. Our Code also prohibits discrimination based on pregnancy test results.

As in previous years, we've continued to strengthen the Apple Supplier Code of Conduct based on our audit experience and input from stakeholders. Our recent updates make the Code even more protective of the workers in our supply chain and further clarify our expectations.

To download the Apple Supplier Code of Conduct, visit www.apple.com/supplierresponsibility.

## 2008 Program Highlights

In 2008, we extended and enhanced our supplier responsibility programs.

- We more than doubled the number of facilities audited for compliance with our Code, completing onsite audits of 83 facilities in 2008, compared with 39 facilities in 2007.
- We implemented more rigorous investigation methods and enhanced our remediation procedure for core violations. In addition, we instituted a more thorough procedure for verifying corrective actions resulting from an audit.
- We developed an industry-leading position on recruitment practices in response to an
  audit discovery involving immigrating workers. We learned that some of our suppliers
  had hired contract workers from one country to work in factories in another country
  and that some of those workers had paid recruitment fees in excess of applicable legal
  limits. In addition to demanding reimbursement, we updated our Code to require that
  suppliers take responsibility for the entire recruitment process, including the recruitment
  practices and fees of labor agencies in the workers' home countries.
- We expanded our efforts with our suppliers to train workers on their rights and to train management and supervisors on their social responsibility obligations. In partnership with our suppliers, more than 27,000 people were trained in 2008, up from 2200 people in 2007.
- In 2008, we trained more than 400 Apple employees, empowering them to monitor compliance to our Code whenever they visit supplier facilities.
- We launched an education and development pilot at one of our supplier's factories to help workers fulfill their educational aspirations while continuing their employment.

This report provides more information about specific findings and corrective actions from our 2008 audits, as well as a description of program enhancements designed to drive further improvements.

### **Audited Facilities**



# **Monitoring Compliance**



#### **Protection Against Retaliation**

When we interview workers, we ask them to voluntarily provide their contact information. We follow up after the audit with those workers who share this information to ensure they have not been subjected to any retaliation or harsh treatment as a result of their participation.

#### The Audit Process

Our compliance program begins with a risk assessment that considers the location of the factory, the level of business involvement with Apple, and past audit performance—including corrective action closure and management's commitment to improvement.

When Apple audits a supplier, our employees take the lead—with the support of in-region staff and third-party experts who know the language and understand local regulations and practices. Each of the auditors on the team is trained to use our detailed protocol and to assess every item across all 17 categories in our Code. Even if no violation is found, we evaluate the management system for each element of our Code and identify areas for improvement.

Apple procurement managers help coordinate the audit, while serving as an escalation point for any issues that arise during the audit and corrective action process. This direct involvement makes it clear to our suppliers that social responsibility is integral to their business relationship with Apple.

The audit includes:

- Confidential interviews with randomly selected employees from the line, representing multiple shifts and both direct and contract workers
- · Interviews with senior management in all major functional areas
- Physical inspections of manufacturing facilities and, as appropriate, living and dining areas
- · Review of records and relevant policies and procedures

### The Corrective Action Process

At the conclusion of the audit, the audit team reviews the findings with the facility management, and the factory's most senior manager provides written acknowledgement of the preliminary audit findings.

When improvements are needed, Apple requires the supplier to produce a corrective action plan that addresses not only the specific violation, but also the underlying management system needed to prevent reoccurrence. We track completion of each corrective action to closure, with an expectation that all violations will be corrected as quickly as possible, but not later than 90 days after the audit.

To confirm that corrective actions have been closed to Apple's satisfaction, our team performs a Corrective Action Verification audit. If we find issues that have been inadequately addressed, we continue to work with the supplier on additional improvement measures. However, where violations are numerous or severe and corrective actions are inadequate, we terminate the business relationship.

# **Audit Results**

In 2008, we continued to expand the scope of our compliance program. We completed onsite audits at 83 facilities, including 10 repeat audits and 73 first-time audits selected through a risk management process. Our return visits revealed continued performance improvements and better working conditions, with overall compliance increasing at every facility. First-time audits revealed patterns of compliance and noncompliance similar to our first-time audits in 2007.

Our most significant discovery involved recruitment practices in which our suppliers had hired workers from one country to work in factories in another country. Of the 83 facilities audited, we found six facilities where these contract workers stated they had paid recruitment fees that exceeded the applicable legal limits—often requiring them or their families to incur a debt. We classified this overcharge as a core violation, our most serious category of violation, since these workers may not feel at liberty to leave employment until the debt is paid.

Other core violations included one case of coaching workers interviewed in the audit process, seven cases of underage workers, and three cases of falsified records.

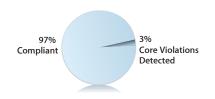
#### Core Violations and Corrective Actions

A core violation is the most serious class of violation, as it refers to any practice or situation that Apple believes to be contrary to our core principles. Instances of abuse, underage labor, involuntary labor, falsification of audited materials, significant threats to employee safety, and any intimidation or retaliation against workers participating in an audit are classified as core violations.

When a core violation is detected, we require that the supplier remedy the situation immediately according to a specific action plan approved by Apple. In addition, the supplier is placed on probation for one year, during which time they remain under greater scrutiny from Apple and are at higher risk of losing future business. Discovery of a core violation also increases the frequency of repeat audits of the facility.

#### **Recruitment fee overcharges**

Apple's audits revealed a complex labor supply chain, whose recruitment practices may result in worker-paid fees in excess of applicable legal limits. Upon investigation, we learned that some of our suppliers work with third-party labor agencies to source workers from other countries. These agencies, in turn, work through multiple subagencies—both in the hiring country and the workers' home country—in some cases, all the way back to recruiters in the worker's home village. By the time the worker has paid each agency, the total fees may be equivalent to many months' wages and exceed legal limits.



Ninety-seven percent of the core issues assessed by our auditors were in compliance.

#### Interviews with contract workers

Apple's rigorous audit process includes interviews with contract workers—not just with supplier's employees, as is more commonly the case. When foreign contract workers are employed at an audited facility, we hire translators who speak their native language to ensure that interviews are fully understood.

Apple discovered six facilities where foreign workers stated that they had paid agency recruitment fees in excess of the applicable legal limits—and may have needed to incur debt to pay these fees. In many instances, the workers felt they had no choice but to work off the debt. Apple's Code has always strictly prohibited all forms of involuntary labor, and we classify these cases as core violations of voluntary labor rights.

In each of the six facilities, we brought in an industry expert to conduct a detailed investigation of the recruitment process, comparing the fees paid by workers against the legal limits in the country of origin and in the hiring country. We are requiring each supplier to reimburse any fees that exceed these limits. To date, our suppliers have agreed to reimburse workers \$852,000 in recruitment fee overcharges.

We also discovered that one supplier had required foreign workers to submit their passports for safekeeping, which limited workers' access to their papers. We demanded that the supplier return the passports to the workers. In situations where it is advisable for the supplier to hold passports for safekeeping, we require a process that allows workers free access to their documents and informs them in their native language of their access rights.

To prevent future abuses of this nature, Apple holds our suppliers responsible for the recruitment practices of their labor agencies and the entire recruitment supply chain—requiring them to limit worker-paid fees to the equivalent of one month's net wages. In addition, we require our suppliers to audit and manage the recruitment suppliers with the same rigor as they manage their manufacturing suppliers. To clarify these requirements, we have updated our Code and developed a new Prevention of Involuntary Labor standard.

#### Coaching

In one of the recruitment fee overcharge cases, we discovered that foreign workers had been coached prior to our interviews. This coaching was classified as an additional core violation. We immediately met with the company's senior management to address the specific issue and to develop a plan to correct the underlying management systems.

We required the facility to install a hotline where workers can anonymously report grievances directly to Apple. We review this anonymous feedback with the factory management and demand corrective actions. Since many of the grievances were related to supervisor behavior and management communication, we required the facility to develop and deliver appropriate supervisor training and to institute new systems that improve worker-management communication. Subsequent feedback from the workers about the conditions at this facility has dramatically improved.

#### **Underage labor**

Of the 83 facilities audited, Apple discovered seven facilities that had hired 15-year-old workers in areas where the minimum age for employment is 16. Across the seven facilities, a total of 25 workers were hired before reaching the legal age.

Nineteen of the 25 cases were historical incidents in which our auditors found records of workers who had been hired prior to turning 16, although the workers were no longer underage or no longer in active employment at the time of our audit. The other six cases involved actively employed 15-year-olds. Apple required that the suppliers return these workers to their families—while continuing to pay their wages per their employment agreements—until they reach the legal working age. We ensure each of these workers is treated fairly through this process and is not subject to retaliation.

In each of the seven facilities, we required the review of all employment records for a full year prior to our audit, as well as a complete analysis of the hiring process to clarify how underage people had been able to gain employment. Apple also required each facility to develop and institute appropriate management systems—such as more thorough ID checks and verification procedures—that will prevent future employment of underage workers.

#### **Falsification of records**

Three other core violation cases involved falsification of records reviewed during our audit. In these instances, the suppliers had exceeded working-hour limits and attempted to hide that fact.

In each case, we called for an independent audit to review all human resources records and to look for falsified records. Our follow-up audits did not discover any additional false documents. Managers of these facilities are required to develop and implement effective systems to prevent future falsification and to comply with the working-hours standards in our Code.

# Compliance Overview

In addition to the core violations, our compliance monitoring program revealed violations in other areas. Following is a summary of audit results for all categories, specific highlights of widespread issues, and highlights of areas where we found general compliance.

Status of All Facilities Audited in 2008 ■ Frequent Violations ■ Limited Violations ■ In Compliance Work Hours and Days of Rest 41% Wages and Benefits 59% Antidiscrimination **Environmental Permits and Reporting Emergency Prevention and Preparedness** Occupational Injury Prevention 79% **Dormitories and Dining** Prevention of Chemical Exposure 8% 12% 80% Prevention of Involuntary Labor Ergonomics Occupational Illness Prevention Health and Safety Training and Awareness 94% Prevention of Underage Labor Pollution Prevention and Resource Reduction 96% Ethics 97% Fair Treatment Freedom of Association

#### **Work Hours and Days of Rest**

The Apple Supplier Code of Conduct sets a maximum of 60 work hours per week and requires at least one day of rest per seven-day week under normal work conditions.

We examined records from each supplier across multiple shifts of several production lines, ensuring that the samples included peak production months. At 40 of the facilities audited, the records we reviewed indicated that workers had exceeded weekly work-hour limits more than 50 percent of the time. While our Code allows exceptions to work-hour standards in unusual or emergency circumstances, the practice of exceeding these limits appears to be routine rather than exceptional for some suppliers. Similarly, at 46 facilities audited, more than half of the records we reviewed indicated that the employees had worked in excess of six consecutive days at least once per month.

Apple required each of these suppliers to improve their management systems in order to limit overtime hours and to ensure workers have at least one day of rest in a sevenday week under normal work conditions. We have also joined with others in the EICC Working Hours Task Force to explore the root causes and effective solutions for this industry-wide issue.

#### **Wages and Benefits**

Apple's Code addresses several areas of compensation, including base wages, overtime wages, legally mandated benefits, the manner in which employees are paid, and prohibition of wage deductions for disciplinary purposes.

At 19 of the facilities audited, we found that the employer's pay structure was unnecessarily complex, difficult for employees to understand, and could result in underpayment of employees.

At 23 facilities, our auditors found that workers had been paid less than minimum wage for regular working hours. In some of these cases, the wages were based on incorrect pay formulas. For example, the minimum wage consisted of a base rate plus performance-related bonuses. Without the bonus payment, wages fell below minimum wage, which is a violation of our Code.

We also found instances of pay calculations that resulted in underpayment of overtime wages at 45 facilities. We required these suppliers to adjust their pay practices to ensure that the legally applicable minimum and overtime wages are paid to all employees, and that pay practices are clear and easily understood.

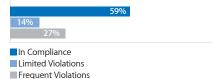
In instances where workers were actually underpaid, we required our suppliers to complete many actions. These include calculating the total amount of underpayment, processing repayment of underpaid wages, funding new worker benefits, and implementing management systems to ensure accurate payment in the future.

Our audits also revealed situations where suppliers had underpaid legally required worker benefits, such as marriage leave, vacation leave, social insurance for disability or retirement, and others. In all cases, Apple is requiring management to pay the full amount of legally required, employer-paid benefits.

Another common violation, found in 46 of our audits, was salary deductions used for disciplinary purposes. While the deductions we discovered are often legal under local laws, the Apple Supplier Code of Conduct prohibits this practice. In each case, we required an end to these disciplinary fines.

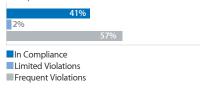
#### **Wages and Benefits**

**Compliance Status of Audited Facilities** 



#### **Medical Test Nondiscrimination**

**Compliance Status of Audited Facilities** 



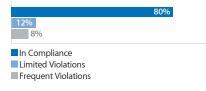
#### **Pregnancy Nondiscrimination**

**Compliance Status of Audited Facilities** 



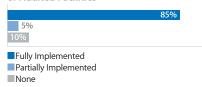
#### **Dormitories and Dining**

**Compliance Status of Audited Facilities** 



### **Anonymous Grievance Systems**

Status of Management Systems of Audited Facilities



#### Antidiscrimination

Our Code protects against discrimination on the basis of race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, and marital status. In addition, we do not allow medical tests or pregnancy tests to be used in a discriminatory manner.

Our audits revealed that the practice of screening job candidates for hepatitis B was widespread—occurring in 59 percent of the facilities we audited. Hepatitis B is a common viral infection that cannot be transmitted through casual contact. Discriminating against carriers of hepatitis B is illegal in China and other countries and is prohibited under the medical testing provision of our Code.

Another common finding was discrimination based on pregnancy status. In 19 percent of our audits, we found mandatory pregnancy tests or other policies or practices that could be used to discriminate against pregnant women.

In 10 percent of the facilities audited, we found evidence of other forms of discrimination. Some suppliers specified an age range or gender in their job requisitions and recruitment materials. In other cases, our auditors discovered that candidates were asked discriminatory questions during the application process.

In every case where we have found discrimination—even where these actions were permissible under local laws—Apple requires that the practices be discontinued. Through our verification audit measures, we check back to make sure that discriminatory practices have not resumed.

#### **Dormitories and Dining**

Apple audits extend beyond the work environment to the dormitories where thousands of workers in our supply chain live. In 2007, we introduced new guidelines that specify rigorous detailed standards and best practices for employee dormitories. Our 2008 audits revealed that a majority of our suppliers have been in compliance with these standards. We found that 93 percent of dormitories audited provided adequate personal space. In addition, 91 percent of dining facilities audited were in compliance with our standards. We also discovered some violations in our audits of dormitories, such as locked or inward-opening exits and lack of smoke detectors. All violations have been addressed through the post-audit corrective action plans, which are either complete or in progress.

#### **Freedom of Association and Effective Communications**

The Apple Supplier Code of Conduct sets out the rights of our suppliers' employees to form and join worker organizations of their own choosing and to bargain collectively in accordance with applicable law. The results of our audits show a high level of compliance in upholding these workers rights.

Apple also views effective communication systems for worker feedback and participation as an important aspect of these rights. For example, the Code requires an anonymous grievance mechanism for workers and protection for those who file complaints. More than 85 percent of the audited facilities provided adequate anonymous complaint systems and protections. For the facilities that did not have anonymous complaint systems or systems for worker feedback, we required these systems be added as part of the corrective action plans.

#### Health, safety, and environment

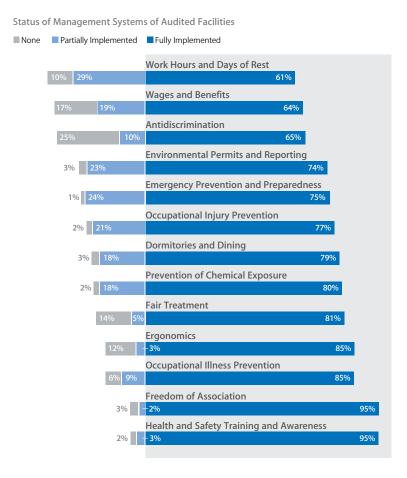
Our suppliers must be committed to creating safe and healthy working conditions and to protecting the quality of the environment around them. Our audits revealed that most suppliers were in compliance with a majority of the line items in these categories. We observed that 73 percent of the facilities were in compliance with permits and reporting requirements for protecting the environment, and 96 percent had programs to prevent pollution and reduce the consumption of natural resources.

Some specific items, however, stand out as common violations. For example, blocked or improperly installed emergency exits were found at 52 percent of facilities audited. Our audits also revealed missing first aid kits or kits that were inadequately stocked—33 percent of facilities audited. In all cases where violations were discovered, we required the facility to correct the issue and address the root causes.

Most of the health, safety, and environment findings were in the area of management systems. For example, we found inadequate written procedures for blocking access to hazards, such as electrical panels. We also found poor or missing procedures and training programs for emergency drills. All noted deficiencies have been addressed through the post-audit corrective action plans.

## Management Systems

Apple believes that the true indication of a well-run facility—on an ongoing basis—lies in robust management systems. To ensure sustained compliance with our Code, Apple's audits examine the strength of the management systems underlying every category. The Management Systems section of our Code outlines the policies and procedures that prevent violations, encourage ethical behavior, and serve to continuously improve the health and safety of the work environment.

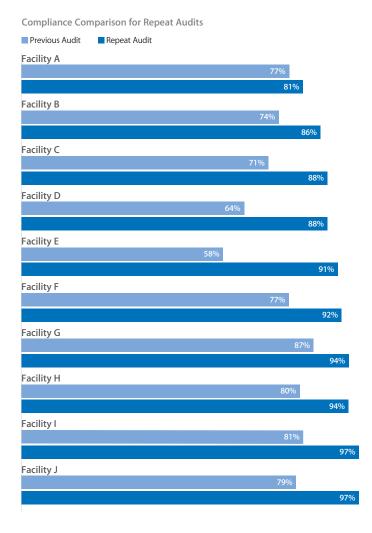


# **Continuous Improvement**

# Repeat Audits Show Progress

During initial audits, Apple sometimes finds that suppliers have limited knowledge or focus regarding their obligations to their workers. Our audits highlight the issues, and the corrective action process requires suppliers to build a program that leads to full compliance. When we return to audit a facility, we expect to find better communications throughout the organization and a management systems approach that drives continuous improvement and compliance with our Code.

In 2008, Apple returned to each of our final assembly facilities and conducted follow-up audits to assess their progress. In addition, we reaudited component facilities where previous audits revealed core violations.



While we were pleased that all return audits showed progress, we were not satisfied with the management systems at two of the facilities. We escalated our concerns to the top management of both companies and required them to engage a consultant for a full social responsibility program evaluation. The multiweek analysis included a thorough investigation into each facility's organizational structure, HR procedures and systems, manufacturing process, environmental health and safety practices and systems, internal reporting, and preventative actions.

The resulting plan addressed all of these areas of our Code and included detailed training to raise awareness and an internal monitoring process to track performance. Throughout the process, Apple continues to meet regularly with the management of both companies to drive further improvements. When actions have been completed, we conduct a full follow-up audit.

## **Worker Training**

Education that empowers workers is a critical factor for sustained compliance with our Code. To that end, Apple has worked with our suppliers and with a leader in employees' rights training to expand our 2007 program. In partnership with our suppliers, more than 27,000 people were trained in 2008. Courses cover topics such as occupational health and safety, work-related injury prevention, supplier obligations, and workers' rights. Comparisons of pre- and post-training tests demonstrate an average increase of 64 percent in knowledge and skills.



This supplier has integrated social responsibility training into their internal employee training systems.

# Integration into Apple Business

# Accountability Through Business Reviews

Audits play a crucial role in compliance monitoring, but they represent only a snap-shot in time. For a more frequent view, Apple requires our final assembly suppliers to provide quarterly reports of 23 Key Performance Indicators (KPIs), including statistics related to employee overtime, training, injuries, living conditions, complaints, turnover, and other metrics. KPIs also allow us to evaluate how a supplier's performance has changed over previous quarters, and we can compare their results with those of similar suppliers.

Ultimately, Apple procurement personnel are responsible for emphasizing the importance of social responsibility throughout our supply chain. As an integrated part of Apple's Business Review process, Apple executives review items such as audit cooperation, compliance with the Code, progress on corrective action plans, and KPIs with our suppliers—and use this information in the supplier's business review.

## **Educating and Empowering Apple Employees**

Apple quality engineers, purchasing managers, and others who visit supplier facilities are in an excellent position to serve as ad hoc monitors of compliance. In 2008, we continued our education program for Apple staff, training them to identify and report potential violations of our Supplier Code of Conduct. To facilitate reporting of issues, Apple developed an online ticket system that allows any Apple employee to report potential Code violations, which are then investigated and resolved.

# Supplier Employee Education and Development



Many workers in supplier factories have aspirations to continue their education and grow their careers.

Apple has always believed in the importance of education. To support the educational aspirations of manufacturing workers at our supplier facilities, Apple launched a pilot initiative called the Supplier Employee Education and Development (SEED) Program. Working with one of our final assembly suppliers in China, we have made available a flexible, computer-based learning curriculum, set in a classroom environment on a manufacturing campus.

While computer-based learning is well established in other settings, it was a new challenge to provide this kind of program to workers in an assembly factory. Our objective with the pilot was to evaluate how to effectively and efficiently deliver educational opportunities that are both desired and valuable to these workers.

A needs-assessment survey conducted with approximately 8000 workers indicated a strong desire for English-language education, technical certifications on computer hardware and software, and associate-level degree programs in various topics.

The pilot launched in the summer of 2008 with six classrooms, four in factory buildings and two in dormitories, where manufacturing employees can take courses during nonworking hours. Furnished with 500 iMac computers, these classrooms offer a complete English-language curriculum, five courses on computer software, two courses on computer hardware, and seven associate degree programs.

The English-language curriculum has been the most popular, with weekly attendance averaging more than 3500 students. Students are progressing well through each module, and average scores exceed 85 percent for each level. In the technical skills curriculum, several students have completed the courses and passed the certification exam in areas such as computer-aided design and Flash animation.

The associate degree pilot programs are just getting underway. Seven degree programs are offered by three Chinese Universities in areas such as logistics, business administration, computer science, finance, and industrial engineering. Students in these programs are expected to graduate in 2010.

Worker commitment has been strong, with consistently high attendance—up to 97 percent for the associate degree programs. In addition, the manufacturing group hosting the pilot project has recorded the highest employee morale and lowest employee turnover statistics compared with other sites. These results are an indication of how much the workers appreciate the opportunity to continue their education.

We believe this model has the potential to improve the lives of many people working in manufacturing operations. To this end, we have engaged with leading Chinese university professors in the field of e-learning to evaluate the effectiveness and efficiency of our approach. With their guidance, we will evaluate how the successful attributes of this learning model can be expanded, improved, and made more broadly available.

# Supplier Code of Conduct Revisions

#### **Industry Code Update**

The electronics industry has recently begun a process to revise the EICC Code of Conduct. Apple supports this update process and has offered our own enhancements as potential modifications to the industry code.

Based on our auditing experience and through discussions with stakeholder groups, we have revised our Code, making it more protective of the workers in our supply chain and further clarifying our expectations.

A few examples of the Code revisions:

- We added a requirement that our suppliers take responsibility for the practices of the labor agencies that recruit workers involved in Apple production. This new provision makes it clear that all workers involved in Apple production, whether directly employed by our suppliers or hired through a labor agency, are covered by the standards outlined in our Code. In particular, this new section limits recruitment processing and placement fees to the equivalent of one month's net wages.
- We clarified that overtime work must be voluntary. While this is the standard we had been enforcing in our audits, the additional language makes it clear that workers have the right to refuse to work overtime.
- We strengthened our expectations for Health and Safety to require the elimination of chemical and physical hazards where possible.

Moving forward, Apple will be auditing all facilities against the more stringent provisions of our revised Supplier Code of Conduct.

## For More Information

For more information about Apple's Supplier Responsibility Program, visit www.apple.com/supplierresponsibility. Notes: We discovered the following errors in the 2007 audit data reported in Driving Change, 2008 Supplier Responsibility Progress Report. None of these errors affects the original conclusions made in the report. Management Systems figures contained a rounding error, and the Management Systems scores for one facility had been incorrectly entered. Days of Rest figures incorrectly classified certain facilities as Frequent Violations instead of Limited Violations, which overstated the total percent of Frequent Violations and understated the total percent of Limited Violations. In 2008, we made our criteria for Limited Violations more stringent than in 2007.