Section 172 Statement

The directors of the Company have acted during the financial period in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so they have had regard to the matters set out in section 172(1) of the Companies Act 2006. Highlighted below are certain aspects of the duties under section 172(1) that the directors consider most relevant to the Company, and the key stakeholders of the Company. The directors receive training relevant to their role, including on directors’ duties, to support their consideration of stakeholder impact.

The directors have delegated day-to-day engagement with stakeholders to management with relevant subject matter expertise, but they oversee this engagement and consider stakeholder impacts in relation to key decisions that are escalated to the board.

Culture

The Company is part of the Apple Inc. group of companies. The Company aligns its corporate governance structures, policies and values with Apple Inc., and these structures, policies and values are adopted and applied in the Company by the directors. Apple’s core values, which guide the Company’s directors and management, are accessibility, inclusion & diversity, education, the environment, privacy & security and supplier responsibility. These values, including how they are applied by the Company, are discussed in more detail in our statement of engagement with employees on page 6 to 8; statement of engagement with suppliers, customers and others in a business relationship with the Company on page 9 to 10; and in our streamlined energy and carbon report, on page 11 to 12.

Considering long-term impact of decisions

We believe business can and should be a force for good. Achieving that takes innovation, hard work, and a focus on serving others. It also means leading with our values in the technology we make, in the way we make it, and in how we treat people and the planet we share. Apple is dedicated to leaving the world better than we found it, and the directors seek to have a long-term mindset when making decisions on behalf of the Company.

Employees

At Apple, we’re not all the same. And that’s our greatest strength. We draw on the differences in who we are, what we’ve experienced, and how we think. Because to create products that serve everyone, we believe in including everyone. We know that the long-term success of the Company is dependent on its people. We describe further how the Company engages with employees in our statement of engagement with employees, on page 6 to 8.

The community, suppliers, customers and others in a business relationship

At Apple, people are at the heart of everything we do and everything we make. Our responsibilities go beyond our stores and corporate offices: they extend to our supply chain and the communities we’re a part of. See our statement of engagement with suppliers, customers and others in a business relationship with the Company, on page 9 to 10 for more detail on how we monitor and nurture our business relationships.
Apple Europe Limited
Registered number 5051046

Strategic report (continued)

The environment
Apple has a history of channeling innovation to address global challenges. That task has never been more urgent than now, with the existing threats of climate change and environmental degradation that our planet faces. We believe we can make the world’s most iconic products—without depleting the earth’s resources.

Apple is committed to protecting the environment, for the long-term, and environmental responsibility is at the core of how we operate. That’s why we take responsibility for the impact of our entire value chain, including the complete life cycle of our products, as well as our own facilities. Apple’s high standards are highlighted in its Supplier Code of Conduct, which has been adopted by the directors as a policy of the Company.

By 2030, Apple is committed to total carbon neutrality across its entire supply chain, including material sourcing, manufacturing, shipping and in-use power of customer devices. Since April 2020, Apple is already carbon neutral for our corporate emissions, including corporate travel and facilities – resulting from our use of 100% renewable electricity and investment in high-quality projects that protect and restore forests, wetlands and grasslands. See our streamlined energy and carbon report, on page 11 to 12, for more details.

Principal decisions of the Company
Decisions which are of strategic importance, are commercially material, or have a significant impact on key stakeholders are considered principal decisions of the Company. The board of the Company has taken the following principal decisions during the financial period:

Declaration and payment of dividend to shareholder
A dividend of £495,953,000 was proposed and paid during the year. In proposing and approving the payment of such dividend, the directors carefully considered its financial impact on the Company (taking into account the impact on the Company’s stakeholders), including whether there were any actual or reasonably foreseeable contingent or prospective liabilities the payment or settlement of which would be jeopardised by the payment of the dividend. The directors also considered carefully the effect that the dividend would have on the Company's ability to pay its debts as they fell due, having regard to the entirety of the Company's business and the actual and contingent liabilities (present and future) inherent in that business.

COVID-19 – office closures
The Company substantially closed all of its office locations on a temporary basis in March 2020 because of the Pandemic, with these and related decisions being discussed and approved by the directors of the Company. Further details of the Company’s response to the Pandemic, including the way in which our stakeholders’ interests were taken into account in decision-making, can be found in the statement of engagement with employees, on page 6 to 8.

By order of the board

Director

Dated 25 June 2021

100 New Bridge Street
London EC4V 6JA
Statement of engagement with employees

Employee engagement
At Apple, we’re not all the same. And that’s our greatest strength. We draw on the differences in who we are, what we’ve experienced, and how we think. Because to create products that serve everyone, we believe in including everyone. To keep our employees informed and engaged, we communicate with them in many ways including weekly newsletters, all-hands meetings with our senior executives, internal communications to share ideas both ways, and through a culture of open feedback. Our Company directors delegate day-to-day management of employee matters to local managers, trusting their expertise to ensure the best experience and support for their teams.

Consulting with employees and their representatives
We engage with our teams through regular surveys to ensure every voice is heard. Employees receive regular updates on their department, the business, and products. The Company uses anonymous surveys to hear directly from team members about their own experiences of working at Apple, to help support an environment of consistent and ongoing feedback among our teams and leadership. We use the data and comments from these surveys to inform our employee experience, engagement levels, and feedback on any Company initiatives. Feedback is analysed at a team and organisational level with action plans in place where we see areas for improvement.

The Company’s employees are also represented in the European Consultation Forum (ECF), Apple’s European Works Council. The ECF gives Apple employees and central management in the European Economic Area (EEA) a way to exchange views and establish dialogue on relevant transnational issues. Apple fully supports the ECF as a way to assist communication between the parts of its business in the EEA and to provide a venue for feedback from its employees through the ECF’s representatives. The ECF, however, does not replace consultation with employee representatives at the country and site level.
Involvement of employees in the Company’s performance
As outlined further in Note 4 to the financial statements, the Company’s ultimate parent, Apple Inc. operates two employee benefit plans relevant to the Company: the 2014 Employee Stock Plan and the Employee Stock Purchase Plan. This is part of Apple’s global approach to employee benefits. All employees are eligible to receive awards of restricted stock units from Apple Inc. under the 2014 Employee Stock Plan and have the opportunity to invest in Apple Inc. stock through participation in the Employee Stock Purchase Plan, which enables employees to participate in the success of the Company and the Group.

Inclusion and Diversity
At Apple, we believe diversity drives innovation and is key to our success. We are deeply committed to hiring and promoting inclusively, championing pay equity, increasing diverse representation at all levels, and fostering an inclusive culture that gives every employee the opportunity to do the best work of their lives. We are challenging the systemic barriers to opportunity and dignity that exist for underrepresented communities around the world.

We believe in equal pay for equal work. At Apple, women earn the same as men when performing similar work. Every year, we examine the compensation employees receive and make adjustments to ensure we maintain pay equity. As part of our commitment, we’ve also stopped asking candidates about their salary history. We continue to publish our Gender Pay Gap report on an annual basis. Whilst we currently have a gender pay gap in favour of men, this gender pay gap is driven by the representation of women in our workforce across levels and tenure. As we sustain our efforts to ensure more women are hired, promoted, and retained, we expect to progress in a meaningful way.

Accessibility
The Company encourages applications for employment from people with a disability. Equal opportunities are available to employees with disabilities for training, career development and promotion. The Company is registered as a Disability Confident Employer.
Statement of engagement with employees (continued)

The impact of COVID-19
In a year that brought everyone’s health sharply into focus, Apple’s first priority was the health and safety of our teams, their families and communities. We supported the COVID-19 public health response, delivered new innovative tools, and adapted our business to empower people with the information and technology they needed most.

We made significant contributions towards relief efforts supporting healthcare professionals, first responders, and impacted communities worldwide. This included sourcing 30 million masks and 10 million custom-built face shields around the globe, and matching our employees’ charitable donations. And we collaborated to create a new exposure notifications system for governments and health agencies, with user privacy and security central to its design.

We brought our most powerful ever generation of hardware, software and services into customers’ hands, helping them stay safe, connected, and entertained. We also tailored our services to promote easy access to trusted information on COVID-19: launching a new section on Apple News; prioritizing visibility of essential services locations on Apple Maps; and offering a curated collection of telehealth apps on the App Store. To meet the extraordinary challenges of virtual education, we delivered new content and services for students, parents, and teachers to foster creativity and learning in a digital environment, and worked with mobile carriers and school administrators to deliver iPads with LTE support to students in need.

Apple was one of the first major companies to lead the COVID-19 response, temporarily closing our retail stores and moving to flexible work arrangements for our corporate offices globally. We have continued to pay our teams during temporary store and office closures; expanded our paid leave policies; provided team members with personal protective equipment; and established policies and procedures for a safe environment. Together with our suppliers, we also implemented new health and safety procedures for supplier workforces, and worked to support our suppliers’ ability to pay their hourly workers. And we have further supported our business partners by accelerating our payments to suppliers and extending payment and credit terms for our resellers.

The decisions to close substantially all of the Company’s offices and ask employees to work remotely during this time were considered principal decisions of the Company. The key stakeholders impacted by such decisions were the employees and customers of the Company. The interests of the stakeholders were aligned with the Company’s goal of safeguarding the health and well-being of employees and customers. The Company seeks feedback on its response to the Pandemic on a continuous basis and has received positive feedback from impacted stakeholders.
Supplier responsibility and environment

At Apple, people are at the heart of everything we do and everything we make. Our responsibilities go beyond our stores and corporate offices: they extend to our supply chain, the communities we’re a part of, and the planet we all share. That means considering not only those who will use a product, but also those who help build it. So we hold ourselves and our suppliers to the highest standards to protect the people in our supply chain, and the planet we all call home. Apple’s global Supplier Code of Conduct, which has been approved by the directors and adopted by the Company, is designed to uphold that commitment. From the sourcing of materials to the recycling of our products, we work with suppliers to ensure that our requirements are being met. We enforce our policies by assessing and closely partnering with suppliers at every point in our supply chain.

We have a deep commitment to ensuring that the people in our supply chain are safe at work, that they are treated with dignity and respect, and that throughout the process of building our products, our planet is protected. Our strict human rights and environmental protections set the foundation of our work. Then, we constantly evaluate our own efforts, listen to people in our supply chain, and implement robust programs that have a measurable impact on protecting people and the planet.

Accessibility

Apple believes accessibility is a human right and technology should be accessible to everyone. Our products are powerful and affordable assistive devices, with built-in accessibility features such as VoiceOver, Voice Control, and support for Made for iPhone hearing aids. New features, such as Sound Recognition, Back Tap, and People Detection, continue Apple’s mission to make our technology customizable to the diverse needs of all our users. You can read more about Apple’s commitment to accessibility at https://www.apple.com/accessibility.

Education

At Apple, we believe that educators should expect more from technology in learning. For over 40 years Apple has helped teachers unleash the creative potential in students. We provide a wide range of free programs and services to help educators understand how Apple can help them get the most from the technology they use for teaching and learning. Beyond our hardware and software products — which help teachers create learning experiences that inspire creativity — our programs and curriculums ensure that education institutions have what they need to effectively employ their use of technology in schools. These include Apple Teacher, a free, online professional learning program to help teachers learn how to get the most from Mac, iPad and our free suite of creativity apps for teaching and learning. Apple has developed curricula to support creative learning and coding such as Everyone Can Create and Everyone Can Code. To date these curriculum and teaching materials have reached millions of users worldwide. In Apple retail stores customers can participate in free ‘Today at Apple’ sessions based on Everyone Can Create. These sessions were adapted to become online ‘Today at Apple - at Home’ sessions when Apple retail stores were closed during the reporting period due to the Pandemic. Topics include Video Storytelling with Clips, Creating Photo Essays and Stories, Expressive Drawing with Apple Pencil, Recording Audio Projects with GarageBand, and App Design and Coding Basics.
Apple Europe Limited
Registered number 5051046

Directors' report (continued)

Statement of engagement with suppliers, customers and others in a business relationship with the Company (continued)

Privacy
At Apple, we believe privacy is a fundamental human right. And so much of our customers’ personal information—information they have a right to keep private—lives on their Apple devices. Every Apple product is designed from the ground up to protect that information. And to empower our customers to choose what they share and with whom. With every software release we introduce ever greater controls for our users so they can manage these choices including for the apps that they download from the App Store.

Our customers’ personal data should always be protected on devices and never shared without our customers’ permission. Apple supports privacy by building tools into devices, making data requests clear, empowering users with controls, and requiring external groups to follow applicable laws if seeking access to personal data controlled by Apple. Encryption, on-device intelligence, and other tools are built into Apple products to let customers share what they want on their terms. Sometimes user data is used to provide customers with a more personalised experience; however, users are given controls to manage these settings. We also use techniques like Differential Privacy to improve user experiences while protecting the information they share with Apple. Differential Privacy adds random information to user data before it is analysed by Apple, so we can’t link that data to a specific device.

Apple’s detailed privacy policy has been adopted by the Company following the approval by the directors of the Company, and can be found at https://www.apple.com/legal/privacy/en-ww.

Bribery and corruption
Apple seeks to conduct business ethically, honestly and in full compliance with applicable laws and regulations. The directors of the Company have delegated authority to Apple's Business Conduct and Global Compliance group, which helps employees and third parties make the right decisions regarding ethical and lawful behaviour. This is done through a variety of resources, including Apple’s policy “Business Conduct: The Way We Do Business Worldwide” and various anti-corruption policies, which have been adopted by the Company following the approval by the directors of the Company.

The Company’s business conduct policy describes Apple’s principles for employee interactions with customers, other businesses, governments, and communities. The policies are publicly available on Apple's investor relations website.
Streamlined Energy and Carbon Reporting

Methodology
This assessment has been verified by a third-party (Delta-Simons Environmental Consultants Limited) to be carried out in general accordance to ISO14064-1:2006 Greenhouse Gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

Results
The table below sets out total energy consumption and resulting GHG emissions by Scope arising from business operations of the Company.

<table>
<thead>
<tr>
<th>Scope</th>
<th>FY20 kWh</th>
<th>FY20 tCO₂e</th>
<th>FY19 kWh</th>
<th>FY19 tCO₂e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 – Heating Fuels</td>
<td>124,512</td>
<td>22.89</td>
<td>142,347</td>
<td>26.17</td>
</tr>
<tr>
<td>Scope 1 – Company Vehicles</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Scope 2 - Purchased Electricity</td>
<td>2,919,608</td>
<td>680.68</td>
<td>1,556,976</td>
<td>397.96</td>
</tr>
<tr>
<td>Scope 3 – Rental Vehicles</td>
<td>46,518</td>
<td>35.06</td>
<td>103,130</td>
<td>23.24</td>
</tr>
<tr>
<td>Scope 3 – Employee Mileage</td>
<td>370,523</td>
<td>91.83</td>
<td>729,044</td>
<td>181.34</td>
</tr>
<tr>
<td>Total Gross</td>
<td>3,461,161</td>
<td>830.46</td>
<td>2,531,496</td>
<td>628.71</td>
</tr>
<tr>
<td>Purchased Electricity (Market-Based)</td>
<td>-</td>
<td>-171.04</td>
<td>-</td>
<td>-40.63</td>
</tr>
<tr>
<td>Carbon Removal (April 2020 onwards)</td>
<td>-</td>
<td>-17.02</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Net Emissions</td>
<td>-</td>
<td>642.39</td>
<td>-</td>
<td>588.08</td>
</tr>
</tbody>
</table>

Intensity Ratios

<table>
<thead>
<tr>
<th>FY20</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>kWh/sq.ft/year</td>
<td>37.56</td>
</tr>
<tr>
<td>tCO₂e/employee/year</td>
<td>0.98</td>
</tr>
<tr>
<td>tCO₂e/£m/year</td>
<td>1.02</td>
</tr>
</tbody>
</table>
Streamlined Energy and Carbon Reporting (continued)

Energy Action Statement

By 2030, Apple\(^1\) is committed to total carbon neutrality across its entire supply chain, including material sourcing, manufacturing, shipping and in-use power of customer devices. Since April 2020, Apple is already carbon neutral for our corporate emissions, including corporate travel and facilities – resulting from our use of 100% renewable electricity and investment in high-quality projects that protect and restore forests, wetlands and grasslands.

We have reduced our comprehensive carbon footprint by 35% since it peaked in 2015, with the aim of becoming carbon neutral by 2030, including a 75% reduction in emissions compared to 2015.

To reduce emissions from Apple facilities, Apple conducts regular energy audits of our corporate offices, retail stores and data centres to identify system improvements that could reduce energy use. We have improved energy tracking and benchmarking processes – tracking 15 minutes electricity data and daily gas data. This helps us to identify low-performing buildings early and ensure issues are rectified quickly. We have integrated energy efficiency early in the design process for our new stores and refurbishments to ensure that savings are maximised.

For the electricity we do use, we source 100% renewable energy primarily through Apple-created projects, including direct ownership, equity investments (such as solar, wind and low-impact hydro), or long-term renewable energy contracts (primarily sourced from solar and wind). In the few remaining cases where we need more renewable energy than what’s generated by our Apple-created projects, we directly purchase renewable energy through available utility green energy programs.

And, for the hard to avoid direct combustion emissions such as from the use of natural gas (scope 1 emissions), employee commuting, or business travel (scope 3 emissions), Apple has partnered with Conservation International to invest in high-quality forest, wetland and grassland protection or restoration projects to offset residual carbon.

Apple is committed to leading by example on tackling global climate change; and we will continue to lend our voice to climate advocacy, joining with others to drive for collective action and strong climate positive policies.

For more details on Apple’s environmental performance, please go to apple.com/environment.

By order of the board

Director

Dated 25 June 2021

100 New Bridge Street
London EC4V 6JA

\(^1\) References to Apple in this paragraph apply to the Group. The Company, as part of the Group, shares this commitment and participates in the Group’s global actions to reduce the carbon and emissions.