Strategic report (continued)

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 member, 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.

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Strategic report (continued)

Section 172 Statement (continued)

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, education, the environment, inclusion & diversity, privacy 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 pages 7 to 8; *statement of engagement with suppliers, customers and others in a business relationship with the Company* on pages 9 to 11; and in our *streamlined energy and carbon report*, on pages 12 to 13

Considering long-term impact of decisions

Apple Inc. and its subsidiaries (collectively, "Apple"), are demonstrating every day that business can and should be a force for good. At Apple, we're committed 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. That means supporting communities with global and local initiatives, investments, and donations that combat inequity, expand access to opportunity, and help respond to urgent needs.

Employees

At Apple, we work every day to create an inclusive, safe, and supportive environment for all our team members. We're always finding new ways to invest in our teams' development and to encourage collaboration and creativity. And we provide strong and comprehensive benefits and highly competitive total compensation. We believe we're a better and more innovative company when people have support and the opportunity to do their best work. We describe further how the Company engages with employees in our *statement of engagement with employees*, on pages 7 to 8.

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

Our Human Rights Policy, which has been adopted by the Company following approval by the directors of the Company, governs how we treat everyone, including our customers, employees, business partners, and people at every level of our supply chain. See our *statement of engagement with suppliers, customers and others in a business relationship with the Company*, on pages 9 to 11 for more detail on how we monitor and nurture our business relationships.

The environment

The Company participates in the global ambitions and targets of the Apple Inc. group. Apple is acting with urgency to protect our planet's limited resources and to be a leader in the fight against climate change. Since 2020, we've been carbon neutral for our worldwide operations, and by 2030, our goal is to expand that progress to our entire supply chain and the lifetime use of our products. This carbon neutrality goal includes reducing emissions 75 percent compared with fiscal year 2015 and balancing the residual emissions with carbon removal — across the life cycle of all of our products by 2030. See our *streamlined energy and carbon report* on pages 12 to 13 for more information on the Company's energy and carbon usage and Apple's climate action commitments.

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Strategic report (continued)

Section 172 Statement (continued)

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:

Impact of COVID-19 and return to office

Since the beginning of the pandemic, Apple's first priority has been 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. During the financial period, applicable Company employees were asked to return to working regularly in Company offices, subject to considerations of local conditions, local laws and the evaluation of risk to employees. Further details can be found in the *statement of engagement with employees*, on pages 7 to 8.

By order of the board

Director

Peter Denwood

Dated 23 May 2023

100 New Bridge Street
London, EC4V 6JA

Apple (UK) Limited
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Directors' report (continued)

Statement of engagement with employees

We've worked to embed respect for human rights across Apple in the technology we make, the way we make it, and how we treat people. Our Human Rights Policy, which has been adopted by the Company following approval by the directors of the Company, governs how we treat everyone, including our customers, employees, business partners, and people at every level of our supply chain. We set out an overview of our engagement with employees below, however for more detailed information, please see Apple's 2022 Environmental Social Governance website, which can be found here: https://investor.apple.com/esg.

Employee engagement

At Apple, we work every day to create an inclusive, safe, and supportive environment for all our team members. We're always finding new ways to invest in our teams' development and to encourage collaboration and creativity. And we provide strong and comprehensive benefits and highly competitive total compensation. We believe we're a better and more innovative company when people have support and the opportunity to do their best work.

At Apple, we believe that open and honest communication among team members, managers, and leaders helps create a collaborative work environment where everyone can contribute, grow, and succeed.

Team members are encouraged to come to their managers with questions, feedback or concerns. If a team member is ever uncomfortable raising a particular issue with their manager, they can discuss it with any manager at Apple, their People Business Partner, People Support, or they can contact the Business Conduct team.

In addition, employees and managers can report incidents, near-misses, and observations—including newly identified hazards and risks—through an internal iOS app. Incident responses are addressed by Apple's Environmental, Health and Safety team through a consistent process that connects employees with care and support while identifying corrective actions where appropriate to prevent future occurrences.

Consulting with employees and their representatives

Another way team members can let us know how Apple is doing is to participate in surveys that we conduct regularly. These survey results are a great way for us to learn about what's going well and how we can do better in areas like career development, manager performance, and inclusivity, and teams are encouraged to create action plans based on the survey results.

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"), Switzerland and the UK ("the Region") 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 Region 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 where applicable.

Opportunities to become shareholders in Apple Inc.

Beyond our highly competitive pay, employees are eligible to receive discretionary restricted stock unit ("RSU") grants and become Apple shareholders. As outlined further in Note 4 to the financial statements, the Company's ultimate parent, Apple Inc. operates discretionary employee stock programs relevant to the Company. Apple is one of the few companies in the S&P 500, and the largest technology company, in which employees at all levels are eligible for RSU grants on an annual basis. Employees can also purchase Apple stock at a discount if voluntarily participating in Apple's Employee Stock Purchase Plan.

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Directors' report (continued)

Statement of engagement with employees (continued)

Inclusion and diversity

At Apple, we remain committed to our vision to build and sustain a more inclusive workforce that is representative of the communities we serve. Apple continues to work to increase diverse representation at every level, foster an inclusive culture, and support access to opportunity for all employees.

Apple aims to offer highly competitive total compensation that's in the top tier of each local market and provides all employees with the opportunity to become a shareholder in Apple Inc. Since 2017, Apple has achieved and maintained gender pay equity for all employees. To maintain pay equity, Apple conducts regular, in-depth assessments of total compensation including base pay, discretionary bonuses, and discretionary RSUs granted by Apple Inc.

We publish our Gender Pay Gap report on an annual basis and we're committed to improving the representation of women at all levels of the Company.

Accessibility

Accessibility is one of our values and a fundamental human right. To make sure that all of our team members have the support they need, Apple's own best-in-class accessibility features are in use across Apple by team members with disabilities to remove barriers and enable them to be more productive and successful. We have multiple accessibility-focused trainings available to team members, managers, and recruiters.

We have a dedicated global accessibility and accommodations team to support team members throughout their career journeys. And we have a directory of all of these accessibility resources available that team members can access and search. The Company is registered as a Disability Confident Employer. Please see our *statement of engagement with suppliers, customers and others in a business relationship* on pages 9 to 11 for more details on our newest accessibility features, which bring benefits to our employees as well as customers.

The impact of COVID-19 and return to the office

At every stage of the pandemic, our first priority has always been the health of our teams, customers, and communities. That meant being one of the first companies to close our offices and finding innovative ways to connect with colleagues and customers virtually.

Since 2020, we've continued our efforts and programs to support our people. To keep our teams informed, we deployed comprehensive resources with up-to-date COVID-19 information, including a dedicated platform for teams returning to the office. COVID-19 case support, implemented for all team members, included return-to-work guidance and contact tracing, with the utmost regard for employee privacy.

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Directors' report (continued)

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

We've worked to embed respect for human rights across Apple in the technology we make, the way we make it, and how we treat people. Our Human Rights Policy, which has been adopted by the Company following approval by the directors of the Company, governs how we treat everyone, including our customers, employees, business partners, and people at every level of our supply chain. We set out an overview of our engagement with key stakeholders below, however for more detailed information, please see Apple's Environmental Social Governance website, which can be found here: https://investor.apple.com/esg.

Supplier responsibility

Apple is deeply committed to working with our suppliers so that people in our supply chain are safe at work, are treated with dignity and respect, and so that our planet is protected throughout the process of building our products. Through our Supplier Code of Conduct (the "Code") and Supplier Responsibility Standards (the "Standards"), we hold ourselves and our suppliers to the highest standards of labour and human rights, environmental protections, and responsible business practices in our supply chain. And we go further to empower the people in our supply chain through initiatives like our Supplier Employee Development Fund, a $50 million investment in programs designed to amplify worker voice and provide educational opportunities to the people in our supply chain.

Our suppliers must operate in full compliance with all applicable laws and regulations and in accordance with the principles included in the Code and the Standards, which draw from industry and internationally accepted principles, including, among others, the International Labour Organization's International Labour Standards and the United Nations' Guiding Principles on Business and Human Rights.

Further details on Apple's commitment to supplier responsibility are available at https://www.apple.com/supplier-responsibility/.

Accessibility

At Apple, we believe technology can play a powerful role in helping people to create, learn, be more collaborative and independent, foster dignity, and live out their dreams. Accessibility is a human right. Nowhere is that more evident than in our work in accessibility.

Vision
Our features for blind and low-vision users include VoiceOver, an industry-leading screen reader that describes exactly what's happening on your device, and Zoom, a screen magnifier that lets you enlarge the content you see on your device. Magnifier, Apple's built-in app for iPhone and iPad, turns the camera into a digital magnifying glass to increase the size of any physical object you point it at. Detection Mode[1] in Magnifier combines the camera, LiDAR Scanner, and on-device machine learning to offer intelligent tools like People Detection, Door Detection[2] and Image Descriptions, which give you rich details of your surroundings.

Hearing
Apple was the first to work with top manufacturers to create hearing aids, cochlear implants, and sound processors designed specifically for iPhone and iPad to provide outstanding sound quality. Sound Recognition notifies users of external environmental sounds like running water, alarms, electrical appliances, breaking glass, and more, with the option to train your iPhone or iPad to listen for a specific alarm or electrical appliance sounds. Other features include sign language prominence in FaceTime, which can detect when someone uses sign language in group calls; and Conversation Boost for AirPods Pro, which helps users better follow conversations in crowded or noisy environments.

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[1] Detection Mode requires devices with the LiDAR Scanner. The LiDAR Scanner is available only on iPhone 12 Pro, iPhone 12 Pro Max, iPhone 13 Pro, iPhone 13 Pro Max, iPad Pro 12.9 inch (4th generation or later), and iPad Pro 11 inch (2nd generation or later).
[2] Door Detection can read signs in Cantonese (Simplified, Traditional), Chinese (Simplified, Traditional), English (U.S.), French (France), German (Germany), Italian (Italy), Japanese (Japan), Korean (Korea), Portuguese (Brazil), Russian (Russia), Spanish (Spain), and Ukrainian (Ukraine). Door Detection should not be relied on in circumstances where you may be harmed or injured or in high-risk or emergency situations.

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Directors' report (continued)

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

Physical and motor skills
Users with limited mobility can use Switch Control to navigate their device with a variety of switches, including head-tracking, sound actions, and certified MFi switches. Voice Control[3] helps a user control a device with voice commands across iPhone, iPad, and Mac. AssistiveTouch for Apple Watch helps users with upper-body limb differences to enjoy the benefits of Apple Watch without having to touch the display. Apple Watch Mirroring[4] supports users with quadriplegia or other physical and motor disabilities in controlling Apple Watch via iPhone supported assistive features. iPadOS supports third-party eye-tracking devices, making it possible for people to control iPad using just their eyes.

Learning
Our products are built with an array of features to support people who are neurodivergent or have cognitive disabilities. Background sounds help minimize distractions and support users who want to focus, stay calm, or rest. With Speak Selection for iOS and macOS, audio can be used to support reading or writing comprehension, and Dictation and Siri help anyone who finds speaking easier than typing or writing. Another feature, Guided Access, limits a device to a single app and lets users control which features are available. Learn more about Apple's commitment to accessibility at https://www.apple.com/accessibility.

Education

Apple has worked alongside educators for more than 40 years to inspire the next generation of learners, supporting creativity, problem-solving, communication, and collaboration. We believe that education can be a great force for equity, and our goal is to empower all educators and learners with technology that protects student privacy and is accessible for all.

We develop products, programs, tools, and resources for educators to create engaging learning experiences, and we support education leaders and administrators so they can get the most out of the technology in the classroom and beyond.

We believe coding is an essential literacy. Coding with Apple gives educators the tools and resources to help students express themselves and prepare for the future, no matter what career they pursue. Our coding resources make it easy for anyone to learn, write, and teach coding and app design using Swift, Apple's powerful open source programming language.

And we work hand in hand with communities, particularly communities of colour and others that are under resourced, to bring coding, creativity, and entrepreneurship opportunities to learners of all ages.

Privacy

Privacy is a fundamental human right, and we're constantly innovating to give users more transparency and control over their data. It's why we set the industry standard for minimizing data collection and processing a user's data on-device, and build industry-leading transparency and controls into our technology.

Hand in hand with the privacy of our users are our commitments to free expression and access to information. Our products and services help our customers learn, express their creativity, exercise their ingenuity, communicate privately and securely, and share information globally, whether by text message, audio, or sign language over FaceTime video.

Apple's products and services are built with innovative privacy technologies and techniques designed to minimize how much of your data Apple — or anyone else — can access. They contain features designed and implemented over decades to protect customers' privacy and give them control over their information.

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[3] Voice Control is not available in all areas and on all Apple software. Voice Control utilizes the Siri speech recognition engine for Cantonese (Hong Kong), Chinese (China mainland), English (Australia, Canada, India, UK, U.S.), French (France), German (Germany), Japanese (Japan), and Spanish (Mexico, Spain, U.S.).
[4] Apple Watch mirroring is available on Apple Watch Series 6 and later.

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Directors' report (continued)

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

Safari was the first browser to block third-party cookies by default as far back as 2003, and in 2017, Safari added Intelligent Tracking Prevention to further limit tracking while still enabling websites to function normally. Random identifiers ensure that routes customers take and the places they search in Maps are not associated with their Apple ID, and iMessage and FaceTime are end-to-end encrypted, so Apple can't eavesdrop on user communications. We launched Advanced Data Protection in December 2022 to provide our users with a means to end to end encrypt additional classes of their iCloud data including iCloud back-up and Photos. Siri was designed from the very beginning in 2011 to not associate the things that users say to Siri with their Apple ID, but instead uses a random identifier generated when a user first enables Siri. That has remained the same since then, and in 2021, with newly introduced on-device speech recognition, the audio of users' Siri requests is processed right on their iPhone or iPad by default.

Apple's Privacy Policy ensures that privacy remains a top priority in all that we do. Our suppliers are also obligated to apply our privacy principles via our contractual terms. We respect users' ability to know, access, change, transfer, restrict, and delete personal data, and we strive to collect the minimum amount of data necessary to power our products and services.

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

Ethics and compliance

Apple's Business Conduct Policy, which has been adopted by the Company following approval by the directors of the Company, outlines the principles of honesty, respect, confidentiality, and compliance that guide Apple's business practices and apply to Apple suppliers, contractors, consultants, and other business partners when providing goods and services to Apple or acting on our behalf. The Business Conduct Policy applies to all full time and part-time employees and is available to employees in over 20 languages.

The directors of the Company have delegated authority to Apple's Compliance and Business Conduct team, who focus on business conduct, political compliance, export and sanctions compliance, health compliance, antitrust compliance, anti-corruption compliance, and third-party compliance. Additional compliance functions are integrated into our business organizations.

Apple's ethical business practices are set out in our Business Conduct Policy and additional key compliance policies, which have also been adopted by the Company.

Our compliance policies can be found on Apple's Ethics and Compliance website at https://www.apple.com/compliance/policies.

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Directors' report (continued)

Streamlined Energy and Carbon Reporting

Methodology
This assessment has been carried out by Antea Group USA in general accordance with the Greenhouse Gas Protocol and *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.

Summary GHG Emissions Results

Scope	FY21		FY22	
	kWh	tCO$_2$e	kWh	tCO$_2$e
Scope 1 – Heating Fuels	853,878	156.40	593,426	107.55
Scope 1 – Company Vehicles	221,364	50.93	240,525	54.96
Scope 2 – Purchased Electricity (Location-Based)[1]	1,575,050	334.43	2,279,598	440.82
Scope 2 – Purchased Electricity (Market-Based) & Renewable Energy Generation[1]	1,575,050	0	2,279,598	0
Scope 3 – Rental Vehicles	58,751	13.72	40,530	9.21
Scope 3 – Employee Mileage	12,310	3.02	8,316	1.89
Total Gross Emissions*	**2,721,353**	**224.07**	**3,162,395**	**173.60**
Carbon Offset	-	-224.07	-	-173.6
Total Net Emissions	**-**	**0.00**	**-**	**0.00**
Intensity Ratios	**FY21**		**FY22**	
kWh/sq.ft/year	36.73		31.53	
tCO$_2$e/employee/year (Location-Based Electricity)	0.40		0.38	
tCO$_2$e/£m/year (Location-Based Electricity)	1.31		1.16	

* Total Gross Emissions includes all Scope 1 emissions; only Scope 2 – Purchased Electricity (Market- Based) & Renewable Energy Generation; and all Scope 3 emissions.

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[1] Energy Consumption from purchased electricity is reported as both (1) Location-Based emissions, using UK Government emissions factors for grid electricity; and (2) Market-Based emissions, which take into account procurement of renewable electricity (backed by Renewable Energy Guarantees of Origin (REGOs)) and emissions saved through the Company's renewable energy purchasing, resulting in a net nil tCO2e count.

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Directors' report (continued)

Streamlined Energy and Carbon Reporting (continued)

Climate Action Statement

Building on our achievement of carbon neutrality for Apple's[2] corporate emissions, Apple is committed to total carbon neutrality across its entire supply chain by 2030, including material sourcing, manufacturing, shipping and in-use power of customer devices.

The Company is part of the Group and the Group as a whole has reduced its comprehensive carbon footprint by over 45% since the base year of 2015, with the aim of becoming carbon neutral by 2030, including a 75% reduction in emissions compared to 2015.

To reduce emissions from Apple's global facilities, we conduct regular energy audits of our corporate offices, retail stores and data centres to identify system improvements that could reduce energy use. The Group has improved energy tracking and benchmarking processes. 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.

The Group sources 100% renewable energy for our electricity use at our offices and data centers. For over 90% of the electricity, we source renewable energy from 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 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.

The Group is applying high-quality forest, wetland and grassland protection or restoration projects to offset residual carbon and cover our remaining corporate scope 1 & 3 emissions. Apple is committed to leading by example when 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

P. R. Denwood

Peter Denwood

Dated 23 May 2023

100 New Bridge Street
London, EC4V 6JA

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[2] 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.