

Apple 2008 Environmental Update

## Not yet ripe

By Aleksandra Dobkowski-Joy

**Apple claims its environmental reporting is “groundbreaking” – but design magic is in short supply**

Trying to get a fix on Apple’s sustainability performance is a bit like deciphering one of those translated technical manuals (you know the ones). The mix of information is deep in some areas, perplexing in others, and only partially useful.

On the one hand, Apple is a globally lauded brand, widely praised for product and design innovation. In “green” surveys, consumers give the company high marks for good citizenship.

On the other hand, Apple has been the target of numerous green-minded shareholder resolutions, demanding greater transparency and disclosure around its sustainability performance. Apple’s response more frequently than not has been famously surly, with the company only recently publishing more-comprehensive data on product and operational performance.

A key factor pushing Apple towards transparency was the successful Greenpeace Green My Apple web campaign, launched in September 2006. This presented a look into Apple’s then-unsavoury environmental practices. Greenpeace specifically highlighted the short life of Apple products, poor electronics recycling programmes and waste disposal practices, and the company’s use of toxic materials throughout their product lines.

### Performance points

Judging by the information Apple now provides in its web-based 2008 Environmental Update, Greenpeace, activist shareowners, and a concerned consumer base have had an effect. Apple now addresses performance along four key areas: product design, materials use, energy efficiency, and recycling. A four-page facilities report summarises operational data – which Apple points out comprises only 5% of Apple’s greenhouse gas emissions, with the remaining 95% generated during product use.

The crown jewel of Apple’s disclosure, however, and the basis for chief executive Steve Jobs’ claim of “groundbreaking reporting” is the company’s deep dive into product specifications. For each product, Apple provides a stand-alone report that catalogues GHG emissions, power consumption in various modes of operation, materials use efficiency, packaging and restrictions on toxic materials. Apple also supplies an environmental specifications checklist that cross-references the product against various certifications and product seals, and covers additional areas of environmentally conscious design, ergonomics, safety and noise.

Apple further lists a whole slew of scary-sounding chemicals and materials that have been or will be phased out of its products, including arsenic, brominated flame retardants, mercury, lead, PVC and chlorine. Finally, Apple touts the success of its product take-back programmes, and the fact that all e-waste collected in North America is processed in-country.

In contrast to the wealth of environmental product information, it’s hard to get a feel for the big sustainability picture. Apple does not bother explaining its approach to sustainability management, the prioritisation and materiality of its environmental, social and governance issues, or the contribution of stakeholder input and engagement. In fact, non-environmental data is almost entirely absent from Apple’s disclosure. The one exception is supplier responsibility information.

Here, Apple again shines. The company’s Supplier Responsibility Report, issued in February 2009, provides an in-depth review of supplier facility audit results. The company rounds out performance data with a detailed discussion of the context, possible root causes, and corrective actions taken for various types of violations.

Apple does very well at showing the prevalence of certain types of problems. For example, the company is open about the particularly vexing area of working hour and wage/benefit violations at supplier factories. Apple’s supplier code of conduct specifies that factory staff should not work more than 60 hours per week and have at least one day off per seven-day working week. Yet Apple discloses that at more than 50% of supplier factories, in a sample of 40, staff exceed work-hour limits. The findings point to these violations as being routine practice rather than emergency exceptions in Apple’s supply chain. The company is now taking various steps to change supplier behaviour.

The one thing Apple does not disclose is the location of supplier facilities – perhaps an opportunity for further transparency.

The takeaway to all this seems to be that with sufficient public pressure, Apple will grudgingly agree to set performance objectives and participate in limited disclosure. The resulting reporting patchwork displays flashes of innovation, yet, overall, one could hardly point to Apple as a reporting leader. With design brilliance as its calling card, Apple is faced with a unique opportunity: turn some of that star power to disclosure and produce a truly groundbreaking report. ■



### Snapshot

**Follows GRI?** GRI G3  
**Guidelines were**  
 “considered”  
**Assured?** No  
**Materiality analysis?** No  
**Goals?** Yes: limited  
**Targets?** Yes: limited  
**Stakeholder input?** No  
**Seeks feedback?** No  
**Key strength:** Product environmental data  
**Chief weakness:** Disjointed and limited approach  
**Pleasant surprise:** Detailed supplier responsibility data

*Overall one could hardly point to Apple as a reporting leader*

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