



Responding to Modern Slavery Risks in Electronic Hardware

We recognise that there may be a high risk of modern slavery in technology hardware. We conducted research to identify the specific risks in our supply chains, with the findings at the time of writing below. The investigation into these companies is on-going.

We purchase material supplies of electronic hardware from:

- Apple (phones and tablets);
- HP (laptops and desktops);
- Dell;
- Samsung (phones and tablets);
- Cisco (switches and routers);
- Konica Minolta (printer/scanners);
- Toshiba (printer/scanners);
- Ricoh (printer/scanners);
- Sony (displays); and
- Canon (printers).

It was reported that on 2 March 2020 a worker at the Zhengzhou Foxconn factory took his own life.¹ It was also reported that workers at the factory were being required to work up to 11 hours a day because the factory was struggling to recruit enough workers.²

In late April 2020, the Australian Strategic Policy Institute published a report on allegations of the use of forced labour by the Chinese Government of the Uyghur ethnic group.³

Apple was reported to have told the BBC that it had found no evidence of forced Uyghur labour in any of the factories it was sourcing from in China.⁴

On 15 December 2019, the International Rights Advocates filed a case with the US District Court for the District of Columbia alleging that Alphabet, Apple, Dell Technologies, Microsoft and Tesla were knowingly benefiting from and abetting the use of forced child labour in the Democratic Republic of Congo to mine cobalt. The cobalt is a key component of rechargeable lithium-ion batteries used in electronic devices manufactured by the companies. International Rights Advocates that in addition to the forced labour, children were being regularly maimed and killed by tunnel collapses and other known hazards common to cobalt mining in the Democratic Republic of Congo. They alleged some of the children are trafficked into mining cobalt and some are as young as six years old. The cobalt is mined within the Haut-Katanga and Lualaba Provinces of the Democratic Republic of Congo.

¹ 'China Labor Watch claims iPhone workers at a Foxconn Dormitory committed suicide yesterday, Foxconn refutes the location', Patently Apple, March 2020.

² 'China Labor Watch claims iPhone workers at a Foxconn Dormitory committed suicide yesterday, Foxconn refutes the location', Patently Apple, March 2020.

³ Danielle Cave, James Leibold, Kesley Munro and Nathan Ruser, 'Uyghurs for Sale', Australian Strategic Policy Institute, Report No. 26, 2020.

⁴ Scilla Alecci, 'US moves to ban imports tied to forced Uighur labor in China's Xinjiang region', International Consortium of Investigative Journalists, 28 September 2020.



The allegation is that the cobalt is part of the supply chains used to produce the lithium-ion batteries. The intermediary companies in the supply chain were named as:

- Zhejiang Huayou Cobalt and its subsidiaries Congo Dongfang Mining and Compagnie Miniere du Musonoi;
- Glencore and its subsidiary Kamoto Copper Company;
- Unicores; and
- LG Chem.

It was reported that Glencore sells the cobalt to Unicores. Unicores is a direct supplier to Apple, Alphabet, Samsung, Microsoft and LG Chem. LG Chem supplies Dell.

The Democratic Republic of Congo is estimated to have approximately 48% of the world's cobalt reserves and in 2017 met around 60% of global demand for cobalt.⁵ According to estimates by the German Federal Institute of Geosciences and Natural Resources, approximately 10% to 20% of the 60% comes from small-scale mining where there is a significant risk of forced labour.⁶

One of the suppliers of cobalt, the Chinese Huayou Group, is reported to have introduced measures to prevent cobalt produced by child or forced labour being smuggled into the supply chains from major mines.⁷ Only sealed trucks travelling from audited mines are reported to be accepted at the company's depots in the Democratic Republic of Congo.⁸

At the start of June 2020 it was reported in the media that Huayou was no longer purchasing cobalt from the Democratic Republic of Congo.⁹

Glencore responded to the allegations of forced labour in the production of cobalt by stating that their cobalt production in the Democratic Republic of Congo is a by-product of their industrial copper production. Glencore stated that their operations in the Democratic Republic of Congo do not purchase or process any ore from artisanal mining.¹⁰

In its "2019 Statement on Efforts to Combat Human Trafficking and Slavery in Our Business and Supply Chains", Apple has stated:¹¹

Apple conducts robust due diligence on the source and chain of custody of minerals in its global supply chain but does not directly purchase or procure raw minerals from mine sites. Our responsible minerals sourcing programs are informed by and designed to conform in all material respects with the OECD Due Diligence Guidance.

⁵ Cornelia Lichner, 'The weekend read: Ethical strategies for cobalt supply', PV Magazine, 1 February 2020, <https://www.pv-magazine.com/2020/02/01/the-weekend-read-ethical-strategies-for-cobalt-supply/>

⁶ Cornelia Lichner, 'The weekend read: Ethical strategies for cobalt supply', PV Magazine, 1 February 2020, <https://www.pv-magazine.com/2020/02/01/the-weekend-read-ethical-strategies-for-cobalt-supply/>

⁷ Cornelia Lichner, 'The weekend read: Ethical strategies for cobalt supply', PV Magazine, 1 February 2020, <https://www.pv-magazine.com/2020/02/01/the-weekend-read-ethical-strategies-for-cobalt-supply/>

⁸ Cornelia Lichner, 'The weekend read: Ethical strategies for cobalt supply', PV Magazine, 1 February 2020, <https://www.pv-magazine.com/2020/02/01/the-weekend-read-ethical-strategies-for-cobalt-supply/>

⁹ Bolt Metals media release, '60% of Global Cobalt Supply at Risk as DRC Crackdown Intensifies', 3 June 2020.

¹⁰ Annie Kelly, 'Apple and Google named in US lawsuit over Congolese child cobalt mining deaths', *The Guardian*, 16 December 2019.

¹¹ Apple, '2019 Statement on Efforts to Combat Human Trafficking and Slavery in Our Business and Supply Chains', 6.



Further:¹²

In 2014, we started mapping our cobalt supply chain. In 2019, 100% of our identified 3TG [tin, tantalum, tungsten, and gold] and cobalt smelters and refiners participated in independent third party audits, which go beyond conflict to consider human rights risks. In 2019, Apple directed its suppliers to remove 18 smelters and refiners that were not willing to participate in, or complete, a third party audit or that did not otherwise meet Apple's requirements for the responsible sourcing of minerals.

Deeper in our chain, we utilize independent, third party audits to assess risk at smelter and refiner sites. As of December 31, 2019 – for the fifth straight year – 100 percent of the 267 identified smelters and refiners in Apple's supply chain for all applicable Apple products manufactured during calendar year 2019 participated in an independent third party conflict minerals audit program for 3TG.

Apple also stated:¹³

Since 2017, we partnered with the Fund for Global Human Rights, a leading human rights organisation, to support their work with grassroots human rights defenders in the Democratic Republic of Congo ("DRC").

In 2019, Apple continued to provide funding to Pact Institute, an international development NGO, to deliver rights awareness training to miners, youth, and community officials in Artisanal and Small-scale Mining (ASSM) communities in the DRC. These training sessions were designed to raise awareness on a range of human rights issues. Through this partnership, Pact has reached over 60,000 people since 2016 with rights awareness training based, in part, on the internationally recognised training curriculum developed by the United Nations International Children's Emergency Fund (UNICEF).

In addition, we funded an international expert and an organization specializing in land rights to conduct initial research for a human rights impact assessment ("HRIA") of the impact of a potential minerals traceability project on a local community in the DRC. The HRIA results informed Apple's decision-making with respect to the location of the potential project.

¹² Apple, '2019 Statement on Efforts to Combat Human Trafficking and Slavery in Our Business and Supply Chains', 6.

¹³ Apple, '2019 Statement on Efforts to Combat Human Trafficking and Slavery in Our Business and Supply Chains', 7.