



Annual Green Bond Impact Report

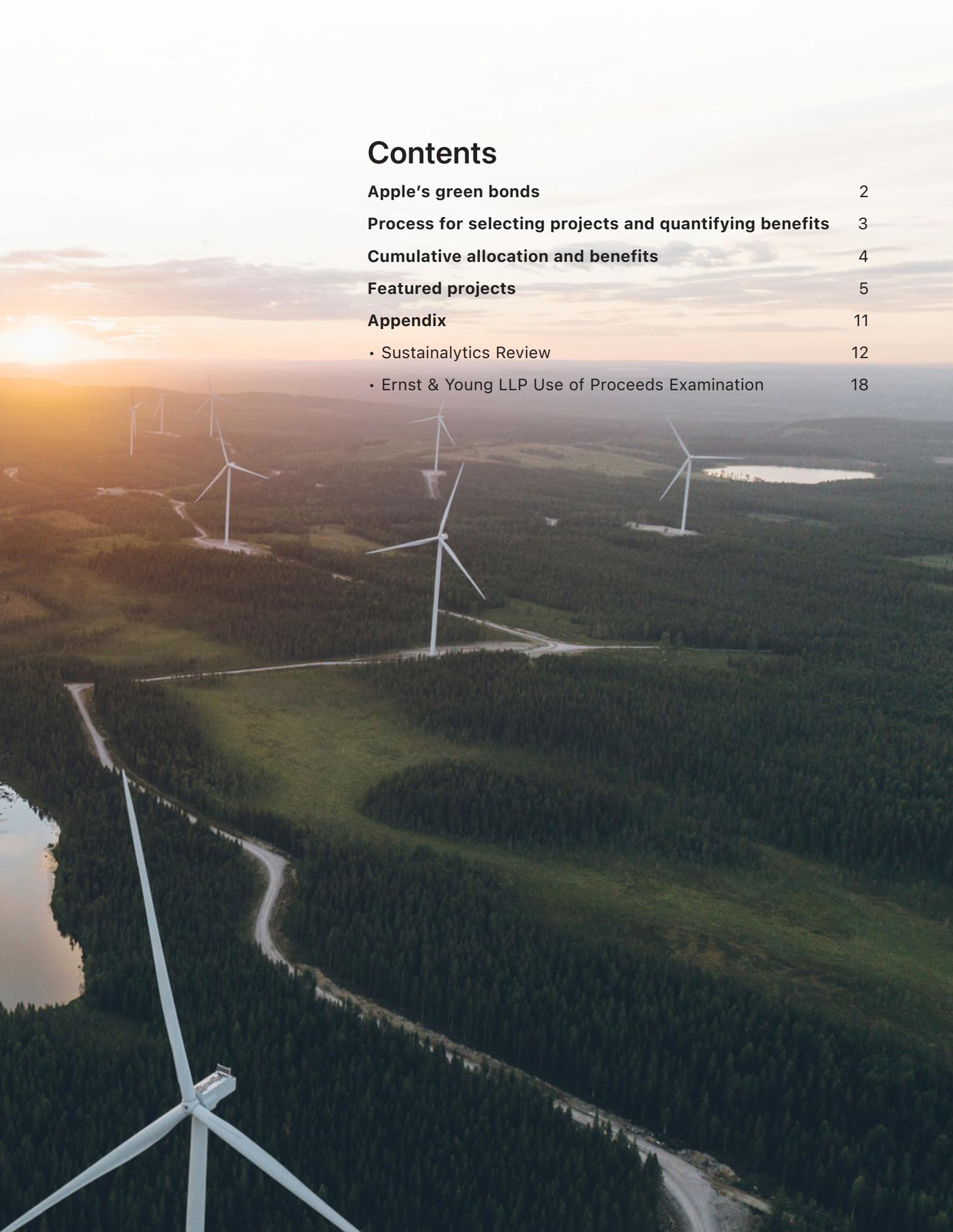
Fiscal Year 2023 Update



Holmen Iggesund joined Apple's Supplier Clean Energy Program in 2023. Holmen's Blåbergsliden wind farm features 26 turbines and is located just outside of Skellefteå, Sweden.

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Apple's green bonds

Apple is committed to leaving the world better than we found it, and that commitment is considered in everything we do — from how we design our products to the processes we use to make and recycle them.

We have long sought to model how businesses can lead in driving the reduction of global carbon emissions, and our green bonds have helped Apple to demonstrate that leadership. We issued our first \$1.5 billion green bond in February 2016 and our second \$1 billion green bond in June 2017 to help advance projects to mitigate our impact on climate change and inspire others to do the same. Both of these green bonds are fully allocated.

In November 2019, we proceeded with our third green bond issuance, and our first in Europe — raising €2 billion (approximately \$2.2 billion) across two tranches (the “2019 Green Bond”). The 2019 Green Bond supports environmental efforts across the company, as well as our ambitious goal to reach carbon neutrality across Apple's entire carbon footprint, including the full product life cycle, by 2030.¹ We first aim to leverage low-carbon product design, energy efficiency, clean electricity, and direct emissions abatement to reduce emissions by 75 percent by 2030, compared with our fiscal year 2015 carbon footprint. We then plan to address residual emissions by investing in high-quality carbon removal solutions.

This year's annual impact report covers the cumulative allocation of Apple's 2019 Green Bond proceeds to environmental projects that incurred spend between September 29, 2019, and September 30, 2023 — Apple's 2023, 2022, 2021, and 2020 fiscal years.

\$4.7 billion

Since February 2016, Apple has issued a total of \$4.7 billion in green bonds, with approximately \$3.4 billion allocated to date.

Process for selecting projects and quantifying benefits

The 2019 Green Bond proceeds are intended to prioritize projects that mitigate our carbon emissions, including supporting the execution of Apple's 2030 carbon neutrality roadmap. Our Environment, Policy and Social Initiatives team leads an annual evaluation and project selection process to identify projects eligible for green bond proceeds. The final allocation of net proceeds to eligible projects is determined by our vice president of Environment, Policy and Social Initiatives, based on each project's alignment with the 2019 Green Bond eligibility criteria: low carbon design and engineering, energy efficiency, renewable energy, carbon mitigation, and carbon sequestration.²

Apple allocated proceeds to a variety of project types across the eligible categories, including operational projects with immediate direct carbon benefits, capacity-building projects that enable suppliers to achieve carbon emissions reductions, and research and development that will unlock future carbon reductions once scaled.

For many projects, we're able to quantify a direct carbon benefit. When this is possible, we calculate the carbon impact over the project's lifetime by estimating the annual carbon emissions reductions or removals of each project³ and multiplying it by the project's expected lifetime based on the underlying contracts.

We're also quantifying the new renewable energy capacity we're adding to the grid through the renewable energy projects to which we've allocated green bond proceeds based on the terms of our agreements with project developers.

2019 Green Bond Cumulative Allocation

Fiscal year 2023 update

Projects

70

\$864.2 million

(39% allocated)

By Eligibility Category (in millions)⁴



\$87.9

Low-carbon
design



\$5.5

Energy
efficiency



\$683.4

Renewable
energy⁵



\$8.9

Carbon
mitigation



\$78.5

Carbon
sequestration

Projected Environmental Benefits⁶

The 70 projects to which Apple allocated 2019 Green Bond funds since issuance are estimated to result in the following direct environmental benefits.*

13,800,000

metric tons CO₂e

Lifetime greenhouse gas emissions
to be mitigated or offset⁷

707 MW**

Installed renewable
energy capacity

*A number of projects to which green bond proceeds were allocated since issuance are dedicated to research and development, capacity building, and policy advocacy. These types of projects have an indirect carbon benefit and therefore are not reflected in the Projected Environmental Benefits quantified above.

**This number represents power purchase agreements (PPAs) and virtual power purchase agreements (vPPAs) where Apple is the sole investor, and obtains environmental attributes that are applied to our corporate carbon footprint. Apple's investments also support capacity from which we do not directly obtain environmental attributes. We also co-invest with other partners. The capacity from both of these kinds of investments are not included in the number above. Apple's combined investments, including those made with partners, have resulted in over 2,000 MW installed renewable energy capacity from the 2019 Green Bond issuance through fiscal year 2023.

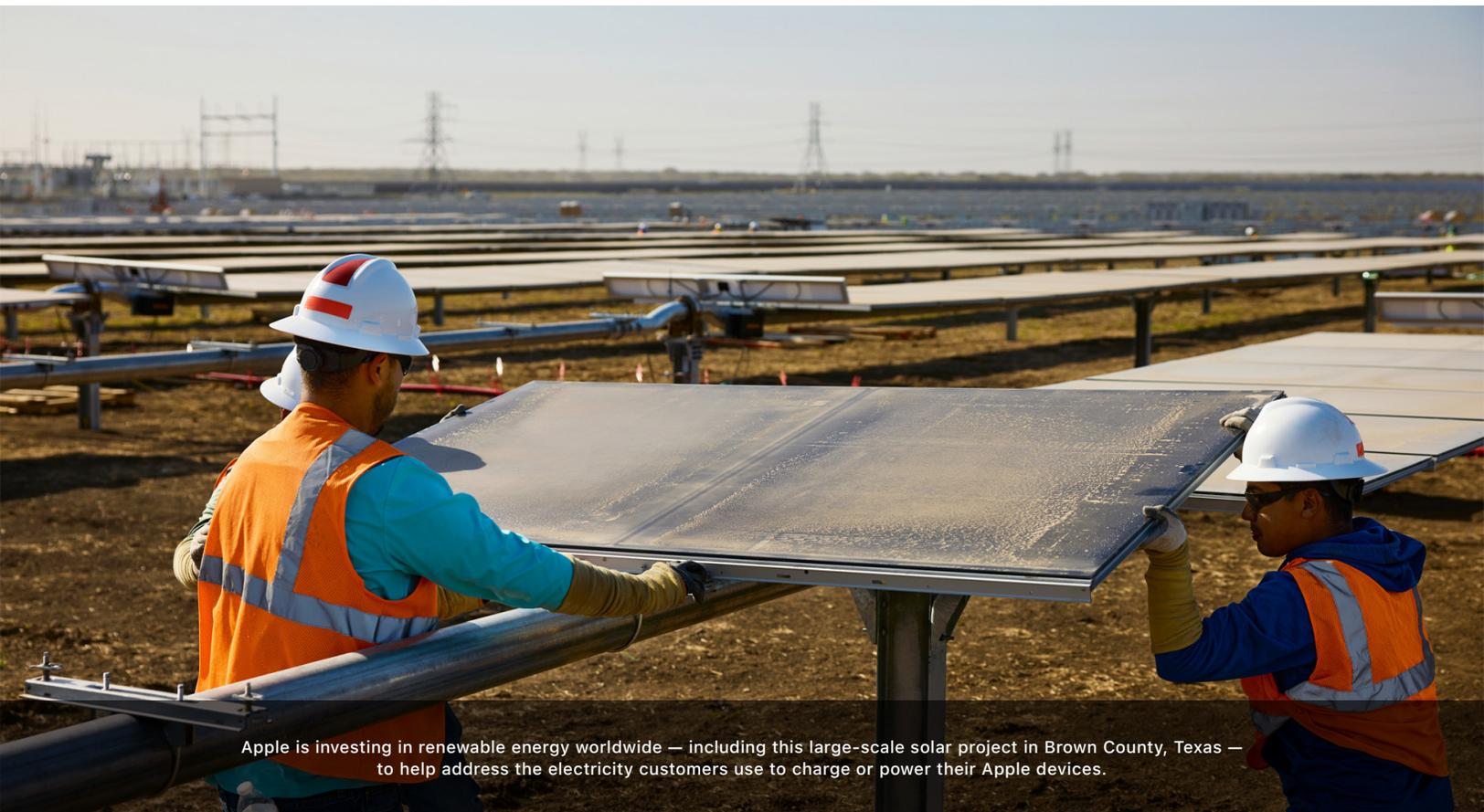
Featured projects

In fiscal year 2023, we continued to expand the projects that support our 2030 carbon neutrality goal, with investments in R&D, renewable energy, and other environmental initiatives. What follows are select examples of the projects to which Apple allocated green bond funds in fiscal year 2023. While we introduced 11 new projects in fiscal year 2023, the majority of our spend was allocated to continuing long-term environmental initiatives necessary to reach our carbon neutrality goal. The full list of projects with detailed descriptions and key performance indicators was provided to Sustainalytics for their second-party review (see the Appendix for the Sustainalytics Review Statement).



Clean energy for product use

The electricity that our customers use to charge or power their Apple devices represents 24 percent of Apple's gross carbon footprint.⁸ Increasing the energy efficiency of our products helps drive down emissions from product use, and we're taking steps to address the emissions that remain. In fiscal year 2023, we've allocated green bond proceeds to our investment in the 320-megawatt, 2300-acre IP Radian Solar project in Brown County, Texas, which is now fully funded. And in fiscal year 2023, we began to fund several new solar projects in Michigan. Over the next several years, we aim to help generate enough clean energy so that we can match the electricity consumption of our products globally on an annual basis, while continuing to power corporate offices, retail stores, and data centers with 100 percent renewable electricity.



Apple is investing in renewable energy worldwide — including this large-scale solar project in Brown County, Texas — to help address the electricity customers use to charge or power their Apple devices.



Recycled materials

The use of recycled materials is central to our goal of making carbon neutral products by 2030. Incorporating recovered materials into our design process has already helped us lower the carbon footprint of the products we create. But to maximize the use of recycled content, additional research and development is needed. In fiscal year 2023, we continued to allocate green bond funds to further investigate ways to address challenges in improving the purity of recovered materials so they can be reused in Apple products instead of being downcycled.

Reducing emissions in Apple's supply chain

Emissions from our manufacturing supply chain represent approximately 65 percent of Apple's comprehensive carbon footprint,⁹ of which electricity use is the single largest contributor. We've worked to address these electricity emissions in our supply chain through targeted supplier programs, like the Supplier Clean Energy Program and the Supplier Energy Efficiency Program. In fiscal year 2023, we continued to allocate green bond proceeds to both of these programs.



Supplier Energy Efficiency Program

The Supplier Energy Efficiency Program, launched in 2015, aims to help our suppliers optimize energy use in their facilities by focusing on approaches to reduce energy use and avoid energy waste. We provide technical and planning support to suppliers as they build more energy-efficient systems by helping them to recognize optimization opportunities and identify solutions through assessments and audits. To assist with implementation, we connect suppliers to extensive education and training opportunities, including technical assistance resources, and to external funding and green financing for energy efficiency projects. Typical energy efficiency projects may include replacing outdated or inefficient heating, cooling, and lighting systems; repairing compressed air leaks; and recovering waste heat. As suppliers become more knowledgeable in this space, they become more able to tackle deeper decarbonization challenges.



Supplier Clean Energy Program

Our Supplier Clean Energy Program helps enable suppliers' transition to clean, renewable electricity through levers such as policy advocacy, information about renewable energy procurement options, data insights, and engagement opportunities with renewable energy experts. As of September 2023, more than 300 manufacturers are committed to using 100 percent clean energy for their Apple production by 2030, which represents over 90 percent of the company's direct manufacturing spend.¹⁰

- **Capacity building.** We share the knowledge we've gained through our own transition to 100 percent renewable energy with our suppliers, supplementing their efforts to identify and pursue opportunities to decarbonize as their businesses evolve. For this reason, we invest heavily in providing education and training across our supply chain through platforms such as our Clean Energy Academy, which includes advanced and customized trainings and workshops with leading experts. Additionally, the Clean Energy Academy supplements our Clean Energy Portal, which is available to all suppliers and provides training materials, resources, and country-specific information to guide them in their transition to renewable energy.
- **Advocating for strong policy.** Government policies and rules can present some of the most significant opportunities to collaborate on transitioning to renewables. We lend our voice and stand with other companies and stakeholders to break down local, regional, and national policy barriers to achieve thriving clean energy markets. In fiscal year 2023, we allocated green bond proceeds to policy efforts in Japan, Vietnam, India, and South Korea.
- **Expanding renewable energy opportunities.** To support our suppliers' transition to renewable electricity, we help them find high-quality solutions so they can decide how best to address their specific needs. When we face barriers to accessing cost-effective clean electricity, we innovate. One such innovation, the China Clean Energy Fund, enables Apple and our suppliers to invest in clean energy, and in fiscal year 2023, we allocated additional green bond proceeds to the fund.



Nature-based solutions

To reach our goal of carbon neutrality for our products by 2030, we allocated green bond proceeds to invest in high-quality carbon removal projects through Apple's Restore Fund for the small portion of emissions we're not yet able to avoid through other methods. In partnership with Conservation International and Goldman Sachs, we've invested with three high-quality forestry managers in Brazil and Paraguay to restore sustainably certified working forests and protect native forests, grasslands, and wetlands. Together, these initial forestry projects are forecast to remove 1 million metric tons of carbon dioxide from the atmosphere starting in 2025. We aim for these projects to become certified under the Verified Carbon Standard (VCS) and the Climate, Community & Biodiversity Standards (CCBS).

Based on our learnings with these projects and the growing global need for more nature-based solutions, Apple announced an expansion of the Restore Fund in fiscal year 2023. As part of the expansion, Apple will invest up to an additional \$200 million in the new fund, which Climate Asset Management — a joint venture of HSBC Asset Management and Pollination — will manage. The new portfolio aims to remove 1 million metric tons of carbon dioxide per year at its peak while generating a financial return for investors. For Apple suppliers that become partners in the fund, it will also offer a new way for them to incorporate high-impact carbon removal projects as they decarbonize.





Carbon footprint modeling improvements

As our low-carbon manufacturing processes evolve, so do our techniques for measuring Apple's footprint. In fiscal year 2023, we again allocated green bond funds to several projects intended to improve the fidelity, scalability, speed, and breadth of Apple's carbon models, and to improve the carbon modeling of Apple's use of new recycled content in products. The 2019 Green Bond also continued to support our work with the sustainable semiconductor technologies and systems research program of imec, a world-leading research and innovation hub in nanoelectronics and digital technologies. Our collaboration is focused on improving the data associated with integrated circuit production, from end to end, and using improved data and shared expertise to identify carbon reduction opportunities for the entire integrated circuits industry.

Report Notes

1. We plan to reach carbon neutrality beginning with our fiscal year 2030 carbon footprint.
2. Across our other environmental reporting, we also use the term “emissions abatement” for “carbon mitigation” and “carbon removal” for “carbon sequestration.”
3. Notes on Projected Environmental Benefits:
 - We estimated future environmental benefits of projects that are not yet fully operational, including carbon emissions avoided or removed, energy capacity, and annual renewable energy generation. To estimate carbon emissions avoided for renewable energy projects and renewable energy certificates (RECs), we use regional grid emissions factors as well as projections for annual electricity generation or the MWh associated with RECs. For the Restore Fund, we estimated the total carbon removal potential over the lifetime of the projects. There is inherent uncertainty in all of these projections. There is currently no generally accepted accounting principle to measure or account for many of these metrics, and our measurement methodologies may change. Projects dedicated to research and development or capacity building are not quantified, as their carbon benefit — while we believe is often sizable — is indirect and may take place across Apple’s global supply chain.
 - Proceeds from Apple’s 2019 Green Bond were allocated to new and ongoing projects. For ongoing, multiyear projects, we included the spend that occurred during the fiscal year allocation period and the estimated environmental benefits of the entire completed project.
 - We changed our methodology for quantifying the benefits of eligible projects to a project lifetime calculation in fiscal year 2022. We believe a lifetime calculation to be a better method of quantifying the impact of these projects compared to the prior calculation methodology that entailed estimating annual emissions reductions, as our projects range from 1 to 25 years — well beyond the maturity of the 2019 Green Bond and related impact reporting.
4. The green bond allocations above do not capture financial returns from project investments. As a result, the information provided does not capture a full view of the net abatement costs to Apple.
5. Renewable energy spend includes equity investments, long-term contracts like power purchase agreements (PPAs) and virtual power purchase agreements (vPPAs), as well as some renewable energy credits, equity investments, and long-term environmental attribute purchase agreements. For PPAs/vPPAs, the allocated amount is calculated as the net present value of future cash flows based on estimated annual production in megawatts and power price over the contract term. Because of this allocation methodology, the financial allocations to the 2019 Green Bond use of proceeds may not proportionally match the carbon contributions that we expect from each category of Apple’s 2030 carbon neutrality roadmap.
6. See note 2.
7. Starting with fiscal year 2022, we’re calculating greenhouse gas emissions mitigated or offset using the projected lifetime benefits of eligible projects from cumulative allocations for the period from fiscal year 2020 to fiscal year 2023. Project lifetimes range from 1 to 25 years.
8. Based on our fiscal year 2022 carbon footprint.
9. Based on our fiscal year 2022 carbon footprint.
10. Direct manufacturing spend calculated based on fiscal year 2022 financial information.

This Green Bond Report (the “Report”) contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Such forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. For example, statements in this Report regarding the potential future impact of allocated projects are forward-looking statements. Forward-looking statements can also be identified by words such as “future,” “goal,” “anticipates,” “believes,” “estimates,” “expects,” “intends,” “aims,” “plans,” “predicts,” “projected,” “will,” “would,” “could,” “can,” “may,” and similar terms. Forward-looking statements are not guarantees of future performance and Apple’s actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in the “Risk Factors” sections of Apple’s most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings as filed with the Securities and Exchange Commission. Apple assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law. This Report has been prepared for information purposes only. Apple does not make any warranties or representations as to the completeness or reliability of the information, opinions or conclusions expressed herein. This Report is not intended to provide the basis for the evaluation of any securities issued by Apple. This Report should not be construed and does not constitute an invitation, recommendation or offer to subscribe for or purchase any of Apple’s securities. Under no circumstances shall Apple or its affiliates be liable for any loss, damage, liability or expense incurred or suffered which is claimed to have resulted from use of this Report.

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Appendix

Sustainalytics Review

Ernst & Young LLP Use of Proceeds Examination

Apple Inc.

Type of Engagement: Annual Review

Date: 24 February 2024

Engagement Team:

Akshay Chandrakapure, akshay.chandrakapure@morningstar.com

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Introduction

In 2019, Apple Inc. (“Apple”) issued green bonds (the “2019 Green Bond”) to finance projects that have positive environmental impacts, with the goal of reducing the carbon footprint associated with Apple’s own operations and more broadly across its entire value chain. In 2023, Apple engaged Sustainalytics to review the projects to which green bond proceeds were allocated during Apple’s fiscal year 2023 and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the Apple Green Bond Framework (the “Framework”).¹ Sustainalytics provided a Second-Party Opinion on the Framework in November 2019.² This is Sustainalytics’ fourth annual review of allocation and reporting of the instruments issued under the Framework, following previous reviews for Apple’s allocations for fiscal years 2020,³ 2021,⁴ and 2022.⁵

Evaluation Criteria

Sustainalytics evaluated the projects to which green bond proceeds were allocated in Apple’s fiscal year 2023 (between 24 September 2022, and 30 September 2023) based on whether the projects financed:

1. Met the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs

| Use of Proceeds Category | Eligibility Criteria | Key Performance Indicators (KPIs) ⁶ |
|--|--|--|
| Low Carbon Design and Engineering | Expenditures related to the development or procurement of less carbon-intensive products and materials (compared to an established “pre-activity” baseline), such as improving product power usage efficiency, using materials produced from manufacturing processes requiring lesser greenhouse gas emissions, or | <ul style="list-style-type: none"> • Lifetime carbon benefit (MT)⁷ • Renewable energy capacity (MW) |

¹ For Apple’s Green Bond Framework, see the section “Use of Proceeds” in the Prospectus Supplement dated November 7, 2019 filed with the U.S. Securities and Exchange Commission and available at https://www.sec.gov/Archives/edgar/data/320193/000119312519288412/d804226d424b2.htm#supptoc804226_8

² Sustainalytics, “Second-Party Opinion, Apple Inc.”, (2019), at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/apple-green-bond-second-party-opinion.pdf?sfvrsn=b41aa66d_3

³ Sustainalytics’ annual review of Apple’s Framework for the 2020 fiscal year is available on Apple’s website at: https://s2.q4cdn.com/470004039/files/doc_downloads/additional_reports/Apple_GreenBond_Report_2020.pdf

⁴ Sustainalytics’ annual review of Apple’s Framework for the 2021 fiscal year is available on Apple’s website at: https://s2.q4cdn.com/470004039/files/doc_downloads/additional_reports/2022/Apple_GreenBond_Report.pdf

⁵ Sustainalytics’ annual review of Apple’s Framework for the 2022 fiscal year is available on Apple’s website at: https://s2.q4cdn.com/470004039/files/doc_downloads/additional_reports/2023/apple_greenbond_report_fy2022.pdf

⁶ Starting fiscal year 2022, Apple changed its methodology for quantifying the carbon benefits of eligible projects to a project lifetime calculation. As a result, Apple has revised its KPIs and is reporting on two KPIs for allocations: 1) Lifetime carbon benefit of projects (tCO_{2e}), which will also capture the previously reported average annual GHG emissions avoided KPI, and 2) Renewable energy capacity (MW). Apple believes that this change enables it to better reflect total benefits, while accounting for varying project lifetimes.

⁷ Lifetime greenhouse gas emissions mitigated or offset includes the combined impact of all projects over the course of their lifetimes which range from 1 to 25 years.

| | | |
|-----------------------------|---|--|
| | sourcing materials with recycled or renewable content. | |
| Energy Efficiency | Expenditures related to the development of energy efficiency projects intended to reduce emissions in new or existing corporate and supply chain facilities, such as sensors and controls, energy management systems, and facility design, commissioning, and retrofits. | |
| Renewable Energy | Expenditures related to the development of renewable energy projects intended to reduce emissions in Apple’s corporate facilities and supply chain, such as solar and wind projects, or associated energy storage solutions, including work to advance market structures, regulations and policy that support renewable energy through coalition and capacity building. | |
| Carbon Mitigation | Expenditures related to the development of projects intended to reduce direct and process emissions (compared to an established “pre-activity” baseline) from Apple’s and our supplier’s operations, such as abating direct emissions from manufacturing or sourcing non-fossil low carbon fuels | |
| Carbon Sequestration | Expenditures related to the development of projects that sequester carbon, such as habitat restoration and conservation | |

Issuer’s Responsibility

Apple is responsible for providing accurate information and documentation relating to the details of the projects to which green bond proceeds have been allocated, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from Apple’s 2019 Green Bond. The work undertaken as part of this engagement included collection of documentation from Apple and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by Apple with respect to projects to which green bond proceeds were allocated for Apple’s 2023 fiscal year. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Apple.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁸ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds and reporting criteria outlined in the Framework. Apple has disclosed to Sustainalytics that 39% of the proceeds from the 2019 Green Bond were allocated as of the close of Apple's 2023 fiscal year.

Detailed Findings

Table 2: Detailed Findings

| Framework Requirements | Procedure Performed | Factual Findings | Error or Exceptions Identified |
|---------------------------------|--|--|---------------------------------------|
| Use of Proceeds Criteria | Verification of the projects to which green bond proceeds were allocated in FY2023 to determine alignment with the use of proceeds criteria outlined in the Framework and above in Table 1. | All projects reviewed complied with the use of proceeds criteria. | None |
| Reporting Criteria | Verification of the projects to which green bond proceeds were allocated in FY2023 to determine if impact was reported in line with the KPIs outlined in the Framework and above in Table 1. | All projects reviewed reported on at least one KPI per use of proceeds category. | None |

⁸ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, their estimated and realized costs and impact, as provided by the issuing entity, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation Reporting by Eligibility Criteria

Apple has allocated USD 157.7 million to eligible projects in its 2023 fiscal year (ending 30 September 2023), and a total of USD 864.2 million to 70 projects since Apple's 2020 fiscal year, as outlined in the table below:

| Use of Proceeds Category | Net Proceeds Allocation, FY 2023 (USD million) | Net Proceeds Allocation, Cumulative (USD million) |
|--|--|---|
| Low Carbon Design | 30.7 | 87.9 |
| Energy Efficiency | 0.5 | 5.5 |
| Carbon Mitigation | 1.6 | 8.9 |
| Renewable Energy | 93.7 | 683.4 |
| Carbon Sequestration | 31.0 | 78.5 |
| Total allocation | 157.7 | 864.2 |
| Net proceeds raised (USD million) | | 2,192.9 |
| Percentage allocation | | 39% |

Appendix 2: Reported Impact

| Key Performance Indicators (KPIs) | Environmental Impact Reported |
|---|-------------------------------|
| Lifetime carbon benefit (tCO ₂ e) ^{9,10} | 13,800,000 |
| Renewable energy capacity (MW) ¹¹ | 707 |
| In addition to the above quantified benefits, Apple estimates that several projects will have indirect carbon benefits across its supply chain from investments in research and development, capacity building and policy advocacy. | |

⁹ Projected lifetime benefits from cumulative allocations. Project lifetimes range from 1 to 25 years. As of the end of FY2023, none of the financed projects are beyond 25 years.

¹⁰ GHG emissions mitigated or offset.

¹¹ Apple has communicated to Sustainalytics that this represents a cumulative impact over the life of the green bond.

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These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third-Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com

Or contact us contact@sustainalytics.com



Report of Independent Accountants

To the Management of Apple Inc.:

We have examined management's assertion, in Exhibit A, that \$864.2 million of net proceeds from the 0.000% notes due 2025 and 0.500% notes due 2031 issued by Apple Inc. ("Apple") were allocated, during the period from September 29, 2019 to September 30, 2023 (the "Reporting Period"), to qualifying Eligible Projects that meet one or more of the Eligibility Criteria (each as defined in the "Use of Proceeds" section of the Prospectus Supplement dated November 7, 2019, to the Prospectus dated November 5, 2018, filed by Apple on November 8, 2019, with the Securities and Exchange Commission pursuant to Rule 424(b)(2) under the Securities Act of 1933, as amended). Apple's management is responsible for the assertion, having a reasonable basis for its assertion, selection of the Eligibility Criteria and the allocation, during the Reporting Period, of amounts to Eligible Projects that meet one or more of the Eligibility Criteria. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA"). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of Apple and to meet our other ethical responsibilities, as applicable for examination engagements set forth in the Preface: Applicable to All Members and Part 1 – Members in Public Practice of the Code of Professional Conduct established by the AICPA.

Our examination was not conducted for the purpose of evaluating (i) whether funds in excess of the net proceeds were allocated to Eligible Projects during the Reporting Period, (ii) the amount allocated to each category of Eligible Projects during the Reporting Period, (iii) that any payments made pursuant to any power purchase agreements or virtual power purchase agreements to which amounts were allocated during the Reporting Period were in accordance with such agreements, (iv) the environmental benefits of the Eligible Projects, (v) conformance of any Eligible Projects with any third-party published principles, standards or frameworks, such as the Green Bond Principles, dated June 2018, published by the International Capital Market Association or (vi) any information included in Apple's Annual Green Bond Impact Report, Fiscal Year 2023 Update, other than management's assertion. Accordingly, we do not express an opinion or any other form of assurance other than on management's assertion included in Exhibit A.

In our opinion, management's assertion, included in Exhibit A, that \$864.2 million in net proceeds from the 0.000% notes due 2025 and 0.500% notes due 2031 issued by Apple were allocated during the Reporting Period to qualifying Eligible Projects that met one or more of the Eligibility Criteria is fairly stated, in all material respects.

Ernst & Young LLP

San Jose, California
February 23, 2024



Exhibit A

Apple Inc. Management's Assertion

We assert that \$864.2 million of net proceeds were allocated from our issuance of the 0.000% notes due 2025 and 0.500% notes due 2031, during the period from September 29, 2019 to September 30, 2023 (the "Reporting Period"), to qualifying Eligible Projects that meet one or more of the Eligibility Criteria (each as defined in the "Use of Proceeds" section of the Prospectus Supplement dated November 7, 2019, to the Prospectus dated November 5, 2018, filed by Apple Inc. ("Apple") on November 8, 2019, with the Securities and Exchange Commission pursuant to Rule 424(b)(2) under the Securities Act of 1933, as amended). The Eligibility Criteria are also set forth in Table 1 below. Apple's management is responsible for this assertion, including selection of the Eligibility Criteria and the allocation, during the Reporting Period, of amounts to Eligible Projects that meet one or more of the Eligibility Criteria. We worked with an outside party, a leading provider of second-party opinions for green, social, sustainability and KPI-linked bonds and loans, to provide a second party opinion on the Apple Green Bond framework at the time of issuance. We have engaged them annually thereafter to review the projects to which net proceeds were allocated and provide an assessment as to whether the projects met the Use of Proceeds criteria and the reporting commitments outlined in our Green Bond framework.

Table 1: Eligibility Criteria

| | |
|--|--|
| Low carbon design and engineering | expenditures related to the development or procurement of less carbon-intensive products and materials (compared to an established "pre-activity" baseline), such as improving product power usage efficiency, using materials produced from manufacturing processes requiring lesser greenhouse gas emissions, or sourcing materials with recycled or renewable content, |
| Energy efficiency | expenditures related to the development of energy efficiency projects intended to reduce emissions in new or existing corporate and supply chain facilities, such as sensors and controls, energy management systems, and facility design, commissioning, and retrofits, |
| Renewable energy | building on our successful transition to 100% renewable electricity at our facilities, expenditures related to the development of renewable energy projects intended to reduce emissions in our corporate facilities and supply chain, such as solar and wind projects, or associated energy storage solutions, including work to advance market structures, regulations and policy that support renewable energy through coalition and capacity building, |
| Carbon mitigation | expenditures related to the development of projects intended to reduce direct and process emissions (compared to an established "pre-activity" baseline) from Apple's and our supplier's operations, such as abating direct emissions from manufacturing or sourcing non-fossil low carbon fuels, and |

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| Carbon sequestration | expenditures related to the development of projects that sequester carbon, such as habitat restoration and conservation. |
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Note 1: Apple Inc. or its subsidiaries directly invest in Eligible Projects in its own operations or its suppliers' operations.

Note 2: Proceeds are considered allocated upon the date of commercial operations for power purchase agreements or virtual power purchase agreements. The allocated amount is calculated as the net present value of future cash flows based on estimated annual production in megawatts and power price over the contract term. The determination of the amount to be allocated to the power purchase agreements and virtual power purchase agreements involves estimates. Actual results could differ from those estimates and those differences may be material.

Note 3: The net proceeds allocated to carbon sequestration projects include the purchase of carbon offsets.