Fletcher Fisara-Fitzpatrick

Apples gone rotten

The green incentive for a green intitative

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Apple's plan towards sustainability is bold, and it doesn't go unnoticed. Placed at the centre of their marketing strategy, it's clear that Apple wants to let people know what they're doing.

It begs the question however, is their approach genuine or tokenistic?

After all, several other businesses have embarked on sustainability initiatives recently, following the trend of growing scientific and public concern regarding Earths health. Additionally, Apple historically lagged behind its competitors when it came to sustainable business practices.

So why the turn around?

Well... it's profitable.

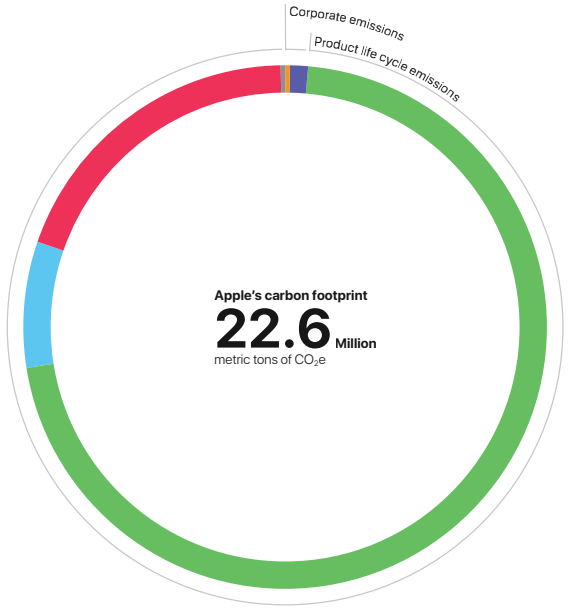
Apple introduced their sustainability program in the fiscal year of 2017. Celebrating the 10-year anniversary of the iPhone, Apple would introduce the iPhone X (2017) at a price of $300 more than its predecessor; the iPhone 8 (2016). The increase in price told to be due to new technologies integrated within the iPhone.

However, critics suggested that Apple was capitalising off their new sustainability program. Studies into consumer behaviours have shown that 65% of consumers are willing to pay 20% more for an eco-friendly product. Targeting this demographic, a possible correlation to the prior mentioned could explain an increase in iPhone revenue by 17.7%, despite number of units sold increasing by 0.5% for the period of 2017-2018. Additionally, Apples gross profit increased by 15.5%.

Apple's commitment towards sustainability is unprecedented in comparison to their competition, with the goal of carbon neutrality for the entire product life cycle by 2030. To date they have achieved 100% renewable energy for all Apple facilities and carbon neutrality for their corporate operations. However, in 2020 71% of their 22.6 million metric tons of CO_2 came from manufacturing, a component excluded from the carbon neutral statistic[1].

These impressive feats were largely attributed to investments made by Apple into renewables, carbon reduction initiatives and purchasing Renewable Energy Credits to offset emissions. Unlike smaller companies who would likely have to fund this through cash flow, Apple used investors. At the time of writing this article, Apple had a market capitalisation close to $2.4 trillion USD, making it the

Fig. 1.



Key in Appendix

largest company in the world. Companies with a high market capitalisation benefit from capital raising, and market influence. Due to this, they had the ability to leverage their unique market position, receiving large investment through issuing green bonds. Since February 2016, Apple has received $4.7 billion USD from green bonds, which have been used to fund their sustainability initiatives. Additionally, Apple has received federal tax credits from their investments – further adding to the financial incentive of operating sustainably. Tax, however, has been a contentious issue with Apple, avoiding state income taxes, abusing accounting techniques like the Double Irish with a Dutch Sandwich, or spending millions of dollars lobbying governments until they receive a tax holiday to avoid paying taxes.

Oh, and one more thing... Waste.

E-waste is the biggest issue facing todays tech companies. As the fastest growing category of domestic waste in the world and a net increase of 21% in the past 5 years.

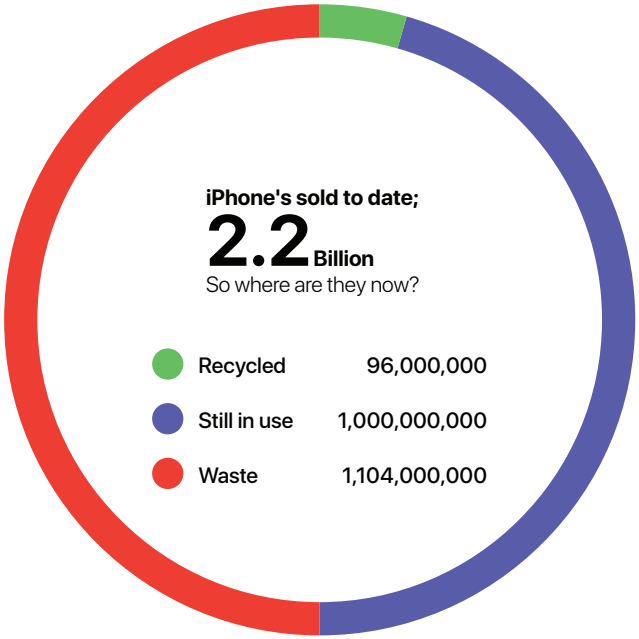
Studies show that whilst 75% of Australians know their mobile phones can be recycled, a mere 8% do something about this. Furthermore, despite the lack of participation, recycling is still unable to keep up with current demands, exposing an underlying fault in Apple's closed life-cycle approach.

Since the introduction of the iPhone, Apple has sold over 2.2 billion iPhones. To put this in context; it's the entire population of Australia buying 6 iPhones annually since 2007. Apple confirming there are currently approximately 1 billion iPhones being used globally, given 1.2 billion iPhones are no longer in use, only 96 million iPhones would have been recycled[2] - 2 in 25[3].

With annual product releases, shifting waste onto consumers, a history of lobbying against 'right to repair' bills and numerous lawsuits for planned obsolescence globally, Apple creates unnecessary waste. These practices make sense for a business, who receives half of their net sales through iPhone purchases[4].

To put it simply, Apple is a company that appears to go green; so long as they make a profit.

Fig. 2.



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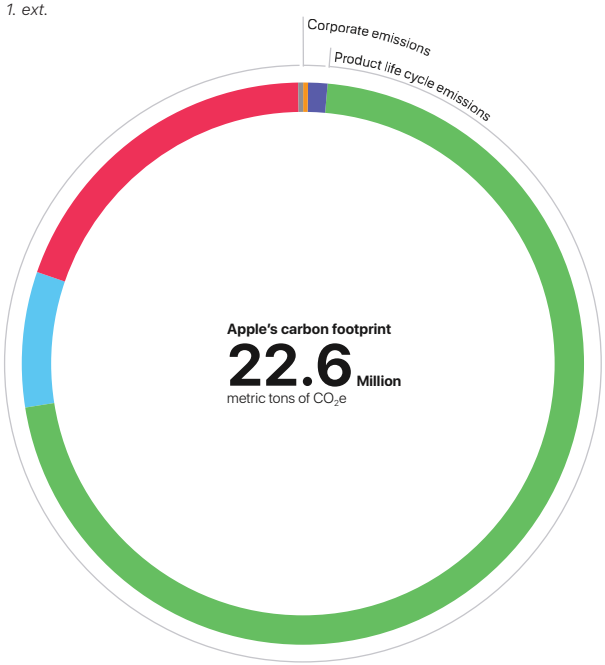
Appendix

Fig. 1. ext.



Direct emissions	<1%
Emissions from electricity	0%
Business travel and employee commute	1%
Product manufacturing	71%
Product transport	8%
Product use	19%
Material recovery	<1%

Fig. 3.

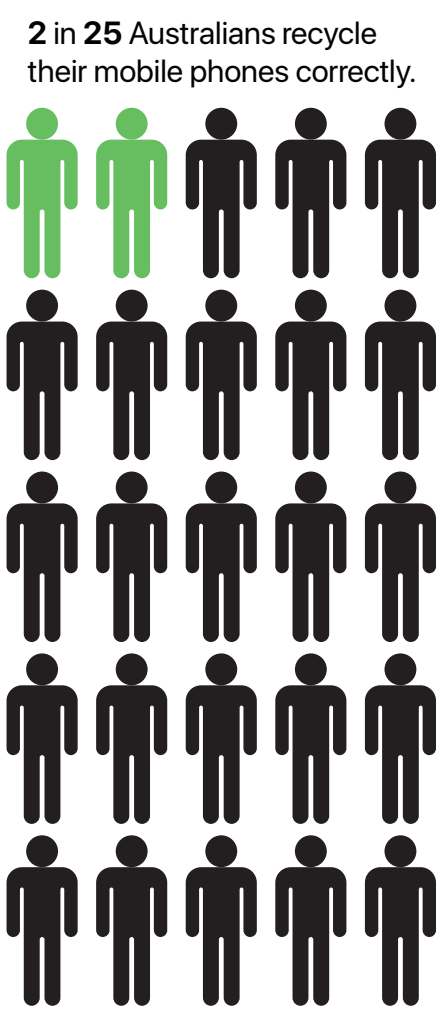
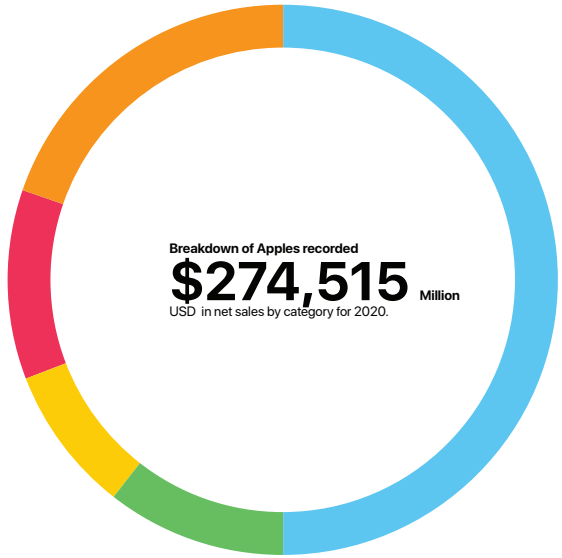


Fig. 4.



iPhone	50.2%
Mac	10.4%
iPad	8.6%
Wearables, Home and Accessories	11.2%
Services	19.6%