

# An Analysis of Improving Business Performance through Social Responsibility - Taking Apple Inc. as an Example

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**Abstract:** This article focuses on Apple Inc. and deeply analyzes the role of fulfilling its social responsibility in improving business performance. Firstly, elaborate on the various measures taken by Apple in environmental protection, such as using renewable energy and promoting product recycling. These actions not only reduce operating costs but also attract consumers with strong environmental awareness, helping to boost sales growth. Secondly, in supply chain management, strict standardization of supplier behavior ensures stable product quality, avoid supply interruption risks, and maintain financial performance stability. Furthermore, the company engages in social welfare activities such as educational support and charitable donations, effectively enhancing brand image, strengthening consumer loyalty, and expanding market share. Apple has achieved steady improvement in business performance by fulfilling its social responsibility in all aspects, such as reducing costs, ensuring operations, and expanding markets, providing valuable reference examples for other enterprises and revealing the close relationship between corporate social responsibility and business performance.

**Keywords:** Corporate Social Responsibility; Business Performance; Apple Inc

## 1. Research Background

Apple Inc. is a multinational technology company based in Silicon Valley, Cupertino, California, with a revenue of \$383.285 billion in fiscal year 2023. It was co founded by Steve Jobs, Stephen Gary Wozniak, and Ron Wayne. Apple has created huge product added value and even brand value with its ingenious product innovation, and is a leading representative of high-tech companies in the

Internet era. Studying the relationship between the company's business performance and fulfilling its social responsibility is conducive to a better understanding of Apple's corporate philosophy and core values, and will help to provide some reference for today's rapidly developing Chinese Internet industry and promote the sustainable development of high-tech enterprises.

## 2. Corporate Social Responsibility Performance

Corporate social responsibility (CSR) refers to the responsibility of a company to consumers, communities, and the environment while creating profits and fulfilling legal obligations to shareholders and employees. CSR requires companies to go beyond the traditional concept of profit as the sole goal, emphasizing the value of people in the production process and contributions to the environment, consumers, and society.

### 2.1 Product Liability

Apple is responsible for the entire lifecycle of its products, including the production of raw materials, assembly processes, and recycling after the end of the lifecycle. Apple focuses on areas that bring the greatest change to the Earth: reducing the impact of products on climate change, protecting precious resources, and using safer materials. For example, all models of the all-new iPad are designed to minimize their impact on the environment, including the use of 100% recycled gold in the plating of various printed circuit boards, which is the first of its kind in iPad models, as well as recycled aluminum metal, recycled tin, and recycled rare earth elements. The packaging material of iPad Pro has been redesigned, no longer using plastic outer film, and 99% of the packaging material is fiber based. At present, Apple has achieved global corporate carbon neutrality and is focused on achieving carbon neutrality in all products by 2030.

## 2.2 Environmental Responsibility

Apple is committed to environmental protection. It focuses on reducing material waste in product design, such as using renewable materials. Meanwhile, in terms of energy utilization, Apple's data centers heavily rely on renewable energy sources such as solar and wind power, which helps reduce carbon emissions and address climate change.

**Use of renewable energy:** All Apple facilities worldwide, including retail stores, offices, data centers, etc., have been powered by 100% renewable energy, and have also prompted 213 suppliers to commit to providing 100% renewable electricity for Apple's production. 22% of the materials for products shipped in 2023 come from recycled and renewable sources, such as 56% of cobalt in Apple product batteries from recycled sources and 24% of lithium from certified recycled sources. Apple's global operations and manufacturing supply chain now use over 18 gigawatts of clean electricity, accounting for 95% of Apple's direct manufacturing expenditures.

**Reducing Carbon Footprint:** Since the peak of emissions in 2015, Apple has reduced its overall carbon footprint by over 55% of carbon dioxide equivalent emissions, achieved operational carbon neutrality in 2020, successfully avoided emissions of 18.5 million tons of carbon dioxide equivalent in 2023, and reduced the total power consumption of its products by 57%.

**Resource Recycling:** Nearly 20% of Apple's product materials come from recycled materials, implementing a zero waste plan that has transferred over 508 million pounds of electronic waste since 2008. The number of sites dedicated to achieving zero waste among its suppliers increased by 53% in 2019. In 2023, 12.8 million pieces of equipment and accessories were delivered to new users for reuse, resulting in a 20% reduction in emissions during product transportation compared to 2022.

## 2.3 Supply Chain Responsibility

Strictly require suppliers to comply with labor rights and environmental standards. Ensure a safe working environment for suppliers, reasonable working hours for employees, and avoid the use of child labor through regular

audits. This reflects respect for human rights and labor rights.

**Protecting Labor Rights:** Adhering to strict supplier codes of conduct, over 19.4 million supplier employees have been educated on their rights since 2008, and 5 mineral suppliers were removed in 2018 due to human rights audit issues.

**Maintaining Employee Health and Safety:** AC Wellness Health Clinic has been launched for employees and their families. Vietnam was included in the employee health education program in 2019 and has received an A+ rating for two consecutive years in eliminating toxic chemicals in production.

**Promoting supplier environmental protection:** Require suppliers to comply with environmental standards and adopt environmentally friendly manufacturing processes, such as helping supply chain partners restore degraded areas in China and supporting afforestation work in India [8]. More than 300 supplier factories in Chinese Mainland have participated in the supplier's waste zero landfill plan. In the past decade, Chinese suppliers have successfully reduced more than 2.5 million tons of waste to be landfilled.

## 2.4 Social Welfare

Actively investing in the field of education, providing programming education resources for schools and cultivating students' technological literacy through projects such as "Everyone Can Code".

**Charitable donation:** through Apple Pay donation activities, 3 million US dollars will be raised to fight against AIDS, tuberculosis and malaria in 2024. Since cooperating with the RED brand for 18 years in 2002, the cumulative fundraising for selling related products has exceeded 250 million US dollars.

**Support for Education:** The collaboration between Apple and the China Development Research Foundation began in 2018 with the "Digital Development Project for Children in Impoverished Areas" to provide high-quality educational opportunities for teachers and students in preschool and vocational education in rural areas. The project has benefited hundreds of thousands of children in 11 provinces, cities and autonomous regions, including Gansu, Guizhou, Qinghai, Shaanxi, Sichuan, Xizang and Yunnan. In 2021, Apple

donated 25 million yuan to jointly launch the China Children's Development Fund.

Supporting Community Development: In Oregon, USA, convert compostable materials into organic materials for use on farms; Launching a 100 kW rooftop solar project for educational facilities for impoverished children in the Philippines; Provide clean energy to remote fishing communities in Thailand.

### 3. Performance of Enterprise Business

According to financial data, Apple's revenue and profits have continued to grow over the years. Its brand value is also among the top in the world. High brand value enables products to maintain high pricing and generate substantial profits.

#### 3.1 Profitability

Net profit: The net profit in 2020 was \$57.411 billion, which increased to \$94.68 billion in 2021, a year-on-year increase of 65%. In 2022, it was \$99.8 billion, a year-on-year increase of 5.4%. In 2023, the net profit was \$96.995 billion, a year-on-year decrease of 2.8%. In 2024, the net profit was \$93.736 billion, a year-on-year decrease of 3.4%. Overall, except for a significant increase in 2021 due to factors such as the 5G replacement wave, the net profit in the following years has shown a certain fluctuation and downward trend, but overall remains stable at a high level.

Gross profit margin: Apple's gross profit margin has remained at a high level, with a comprehensive gross profit margin of 43.8% in the fourth quarter of 2021 and a gross profit margin of 46% in 2024. This demonstrates its efficient cost control and strong profitability, with products and services having high added value and the ability to retain a considerable profit margin after deducting costs.

#### 3.2 Debt paying ability

Asset liability ratio: In 2020, the asset liability ratio was 79.83%. In the fourth quarter of 2024, the total liabilities were 10.66 billion US dollars, the total assets were 36.5 billion US dollars, and the asset liability ratio was about 29.2%. The asset liability ratio showed a downward trend, indicating that the company's long-term debt paying ability has been enhanced and the debt risk has been relatively reduced.

Current ratio: In 2020, the current ratio was

136.36%. It is generally believed that a current ratio of around 2:1 is more appropriate. Apple's current ratio is relatively high, indicating that its current assets have a strong ability to be converted into cash to repay short-term debts before they mature.

#### 3.3 Operational Capability

Inventory turnover: In 2020, the inventory turnover frequency was nearly 40 times, with an average turnover of once every 9.8 days. The fast inventory turnover speed indicates that the company has performed well in inventory management, effectively reducing inventory backlog costs and improving capital utilization efficiency.

Accounts receivable turnover: Apple's accounts receivable turnover days are usually short, which means that it is more strict in sales credit management, able to collect accounts receivable in a timely manner, reduce capital occupation, improve the speed of capital recovery and operational efficiency.

#### 3.4 Development Capability

Revenue growth: Revenue increased by 5% in 2020, 33% year-on-year in 2021, 8% in 2022, 3% in 2023, and 2% in 2024. It can be seen that Apple's revenue growth is not stable. After the high growth in 2021, the growth rate gradually slowed down, and even declined, reflecting the challenges brought by factors such as intensified market competition and increasing market saturation to its business expansion.

Business structure optimization: From the perspective of business structure, iPhone business is still the core, but its proportion has fluctuated. For example, in 2021, iPhone business revenue was 71.63 billion US dollars, a year-on-year increase of 9%, and in the fourth quarter of 2024, iPhone business revenue was 46.222 billion US dollars, a year-on-year increase of 5.52%. At the same time, the service business continued to maintain stable growth, with a revenue of 24.97 billion US dollars in the fourth quarter of 2024, a year-on-year increase of 12%. The proportion of service business to total revenue gradually increased, becoming an important growth engine for the company, helping to optimize the company's business structure and reduce dependence on hardware products.

### 3.5 Market Competitiveness

Firstly, in terms of market performance, Apple dominates the high-end market, while emerging markets have strong growth. (1) The iPhone has a global high-end market share of over 60%, with significant revenue growth in emerging markets such as India. (2) The subscription users of the service business have exceeded 1 billion, the revenue proportion has increased to 22%, and the profit margin is much higher than that of hardware. (3) NPS is leading in the industry, with over 2 billion active devices and an ecosystem that enhances user stickiness, while brand loyalty continues to increase.

Secondly, from the perspective of products and innovation, Apple's hardware upgrades are integrated with the deepening of its ecosystem. (1) The trend of 5G replacement drives sales, with an increase in the proportion of iPhone Pro series and leading performance of A-series chips. (2) The wearable device Apple Watch holds a 34% market share, forming a barrier for health features; AirPods growth slows down. (3) The M-series chips independently developed by the company have helped increase the market share of Mac, but the layout of generative AI is slightly lagging behind.

Thirdly, from the perspective of operational efficiency, Apple's supply chain optimization is accompanied by an increase in gross profit margin. (1) The supply chain is gradually diversifying, reducing dependence on China, while production capacity in India and Vietnam is increasing. (2) Inventory turnover only takes 9 days, which is better than the industry average. (3) The gross profit margin increased from 38% (2020) to 44% (2023), benefiting from a high-end product portfolio and self-developed chips.

In summary, Apple has advantages in market competitiveness such as high-end brand premium, chip/ecological barriers, efficient supply chain, and global layout. At the same time, there are risks such as hardware innovation bottlenecks, regulatory pressures, geopolitical impacts, and intensified competition in emerging markets. Apple maintains its market leadership position through its high-end strategy and ecological synergy, but needs to accelerate its AI, AR/VR layout and expand into emerging markets to maintain long-term growth.

## 4. Relationship between Corporate Social Responsibility and Business Performance

### 4.1 Environmental Protection and Resource Management

Product design and recycling: Apple considers environmental factors during the product design phase to improve the recyclability and durability of products, such as reducing the use of glue and making them easier to disassemble, thereby reducing the impact of product lifecycle on the environment. The Apple recycling program it launched encourages users to send their old products back for recycling, and some old products can be exchanged for a deposit to purchase new products. Recycled materials re-enter the supply chain and become raw materials for the production of new products, which not only saves resource procurement costs, but also enhances the brand's environmental image, attracts more environmentally conscious consumers, and promotes product sales and financial performance improvement.

Energy conservation, emission reduction and sustainable development: Apple is committed to using renewable energy in its facilities, achieving carbon neutral operation and reducing carbon emissions through investments in solar, wind and other projects. In addition, a comprehensive waste management strategy has been developed to reduce the generation of waste in the production process, and to encourage suppliers to adopt environmental measures to jointly address climate change. These measures help enhance the company's reputation in the field of environmental protection, strengthen consumer recognition and loyalty to the brand, and thus have a positive impact on financial performance [12].

### 4.2 Employee Rights and Development

Good compensation, benefits, and working environment: Apple provides employees with competitive compensation and benefits, including stock options, health insurance, paid vacation, etc., attracting and retaining outstanding talents. At the same time, we focus on creating a good working environment, such as providing comfortable office facilities, flexible work systems, etc., to support employees in achieving work life balance,

improving their job satisfaction and loyalty, thereby enhancing work efficiency, creating more value for the company, and indirectly promoting the growth of financial performance.

**Employee training and career development:** The company provides employees with rich training and career development opportunities, helping them improve their skills and knowledge, and broaden their career development paths. For example, personalized training plans can be developed for employees of different positions and levels, and various forms of training activities such as internal training courses, mentorship, and online learning platforms can be carried out. The improvement of employee abilities helps to enhance the innovation capability and operational efficiency of enterprises, laying the foundation for the long-term development and financial performance improvement of the company.

### **4.3 Supply Chain Management**

**Supplier Responsibility and Cooperation:** Apple has strict requirements for suppliers to ensure compliance with labor rights, human rights, and other related regulations. Regular audits are conducted to urge suppliers to improve working conditions and protect employee rights. Through projects such as the Apple Supplier Employee Development Fund, education and training support are provided to supplier employees, promoting the sustainable development of supplier enterprises and ensuring the stable and efficient operation of their own supply chains. This reduces risks such as production interruptions and cost increases caused by supply chain problems, and is conducive to the stability and improvement of financial performance.

**Promoting supplier innovation and sustainable development:** Apple works closely with suppliers to assist them in technological innovation, improve production efficiency, reduce costs, and enhance product quality. For example, promoting suppliers to adopt more environmentally friendly production processes and materials, jointly addressing environmental challenges, and achieving sustainable development of the entire supply chain. The development of suppliers and the improvement of innovation capabilities can help Apple better control costs, enhance

product competitiveness, and thus have a positive impact on financial performance.

### **4.4 Social Welfare and Community Investment**

**Educational support:** Apple collaborates with educational institutions to carry out various educational projects, such as donating equipment to schools, providing teacher training, student scholarships, etc., to support the development of the education industry. Specific product promotion activities and educational pricing strategies are also launched for educators and students, lowering the threshold for educational users to use Apple products. This not only expands the market share of the products, but also enhances the brand's visibility and reputation in the education field, cultivates potential long-term customer groups, and has a positive long-term impact on financial performance.

**Public welfare activities and charitable donations:** Apple actively participates in various public welfare activities, such as the Product Red project to fight AIDS, and raises funds for the prevention and treatment of related diseases by selling special products and donating some of the proceeds. These public welfare actions help enhance the company's social image and brand reputation, strengthen consumers' goodwill and identification with the brand, thereby promoting product sales and market share expansion, and ultimately having a positive impact on financial performance.

### **4.5 Customer Privacy and Data Security Protection**

**Strict privacy policy and technological investment:** Apple regards customer privacy and data security as core values, and has adopted a series of advanced encryption technologies, security frameworks, and privacy protection measures in its products and services, such as the encryption function of the iOS system, end-to-end encryption of FaceTime and iMessage, etc., strictly restricting third-party access and use of user data. This measure enhances consumers' trust in Apple products and services, making them more willing to choose Apple products, thereby improving customer satisfaction and loyalty, and providing strong support for the growth of financial performance [15].

**Transparent privacy policy communication:**

Apple explains its privacy policy and data processing methods to users in a simple and understandable way, allowing users to clearly understand how their data is protected and used. This transparent communication method helps establish good customer relationships, enhance brand credibility, further consolidate Apple's competitive advantage in the market, and create favorable conditions for the stable improvement of its financial performance.

## 5. Conclusion

Various corporate social responsibility practices have brought tangible business performance improvements to Apple Inc. In terms of environmental protection and resource management, we integrate environmental protection concepts from the source of product design, implement recycling measures, and promote energy conservation and emission reduction in the operation process, promoting environmental protection throughout the entire supply chain, which not only reduces costs but also wins market favor; In terms of protecting employee rights and interests, we offer generous salaries, comfortable environments, and abundant training opportunities to attract and stimulate employees' potential, in order to give back the company's economic benefits more efficiently; In supply chain management, strictly regulate suppliers and support their growth to ensure stable operations and cost advantages; Engage in social welfare and community investment, expand the market and elevate the brand through educational support and charitable donations, and reap long-term benefits; Strictly adhering to customer privacy and data security, relying on strict technical protection and transparent policy communication, enhancing consumer trust, consolidating competitive advantages, stabilizing and improving business performance, fully demonstrating the significant positive driving effect of social responsibility on enterprise business performance.

It can be seen that social responsibility is not an additional burden for enterprises, but rather, like Apple, it complements business performance. Actively practicing social responsibility can optimize the internal and external ecology of the enterprise in all aspects, gather employee strength internally, optimize the operation chain, shape brand reputation

externally, expand market territory, inject continuous power into the sustained profitability of the enterprise, and become the only way for modern enterprises to move towards excellence and achieve long-term development.

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