



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

January 2, 2024

Ronald O. Mueller
Gibson, Dunn & Crutcher LLP

Re: Apple Inc. (the "Company")
Incoming letter dated October 23, 2023

Dear Ronald O. Mueller:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by the National Legal and Policy Center for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests that the Company issue a report analyzing the congruency of the Company's privacy and human rights policy positions with its actions, especially in such places as war zones and oppressive regimes, as they impact how the Company maintains its reputation, viability, and profitability.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal transcends ordinary business matters.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(10). In our view, the Company has not substantially implemented the Proposal.

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2023-2024-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Paul Chesser
National Legal and Policy Center

October 23, 2023

VIA E-MAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F St., NE
Washington, DC 20549

Re: *Apple Inc.*
Shareholder Proposal of National Legal and Policy Center
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, Apple Inc. (the “Company” or “Apple”), intends to omit from its proxy statement and form of proxy for its 2024 Annual Meeting of Shareholders (collectively, the “2024 Proxy Materials”) a shareholder proposal (the “Proposal”) and statement in support thereof (the “Supporting Statement”) received from National Legal and Policy Center (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2024 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

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THE PROPOSAL

The Proposal states:

Resolved: Shareholders request the Board of Directors issue a report by March 31, 2025, at reasonable cost and omitting proprietary or confidential information, analyzing the congruency of the Company's privacy and human rights policy positions with its actions, especially in such places as war zones and under oppressive regimes, as they impact how the Company maintains its reputation, viability and profitability.

A copy of the Proposal and the Supporting Statement, as well as related correspondence with the Proponent, is attached hereto as Exhibit A.

BASES FOR EXCLUSION

For the reasons discussed below, the Proposal properly may be excluded from the 2024 Proxy Materials pursuant to:

- Rule 14a-8(i)(7) because the Proposal relates to the Company's ordinary business operations; and
- Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal.

ANALYSIS

Apple has long been committed to respecting human rights and views that commitment as a core part of its values and its mission to enrich people's lives. Apple believes privacy is a fundamental human right and designs its products and services to protect it.

The Proponent has excerpted portions of the Company's Human Rights Policy into the Supporting Statement to suggest that there are inconsistencies or incongruencies in how the Company manages implementation of its policies and suggests that the purported inconsistencies could impact the Company's reputation, viability, and profitability. As such, the primary concern of the Proposal is how any alleged incongruencies impact the Company's reputation, viability, and profitability. However, it is well established that management of a Company's publicity and reputation, and management of its financial viability and profitability are ordinary business functions that do not raise significant policy issues with a broad societal impact. Moreover, the Company already extensively reports on how it implements its privacy and human rights policies. Since the requested information is and has long been public, shareholders and the public already can assess any impact to the Company's reputation, viability, and profitability and any such impact is already reflected in

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the market's perception and the public's understanding of the Company.

Because the Proposal focuses on the ordinary business issues of managing the Company's reputation, viability, and profitability, the Proposal is properly excludable under Rule 14a-8(i)(7). Moreover, because the Company reports regularly and transparently on how its programs, initiatives, and actions align with its stated commitments and the Company's reputation, viability, and profitability already fully reflect any impact of the Company's actions implementing its privacy and human rights policies, the Proposal is properly excludable under Rule 14a-8(i)(10).

I. The Proposal May Be Excluded Pursuant To Rule 14a-8(i)(7) Because It Involves Matters Related To The Company's Ordinary Business Operations.

The Proposal asserts that there is a lack of congruency between certain Company policies and Company actions, and requests a report on the impact of any such incongruencies on the Company's "reputation, viability and profitability." As such, the Proposal is directly focused on functions that are integrally related to management's ability to run the Company on a day-to-day basis, including operations, sales, public relations, and financial management of the business. Accordingly, the Proposal relates to the Company's ordinary business operations and is excludable under Rule 14a-8(i)(7).

A. Background On The Ordinary Business Standard.

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company's ordinary business operations. According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting," and identified two central considerations that underlie this policy. *Id.* As relevant here, one of those considerations is that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." *Id.* The Commission stated that examples of tasks that implicate the ordinary business standard include the management of the workforce, decisions on production quality and quantity, and the retention of suppliers. *Id.*

In Staff Legal Bulletin No. 14L (Nov. 3, 2021), the Staff stated that it "will realign its

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approach for determining whether a proposal relates to ‘ordinary business’ with the standard the Commission initially articulated in [the 1976 Release], which provided an exception for certain proposals that raise significant social policy issues, and which the Commission subsequently reaffirmed in the 1998 Release.” In addition, the Staff stated that it will focus on the issue that is the subject of the shareholder proposal and determine whether it has “a broad societal impact, such that [it] transcend[s] the ordinary business of the company.”

When assessing proposals under Rule 14a-8(i)(7), the Staff considers the terms of the resolution and its supporting statement as a whole. *See* Staff Legal Bulletin No. 14C, part D.2 (June 28, 2005) (“In determining whether the focus of these proposals is a significant social policy issue, we consider both the proposal and the supporting statement as a whole.”).

A shareholder proposal being framed in the form of a request for a report does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the proposed report is within the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (Aug. 16, 1983); *Johnson Controls, Inc.* (avail. Oct. 26, 1999) (“[where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under [R]ule 14a-8(i)(7).”). Likewise, seeking a “congruency report,” does not of itself mean that a proposal implicates a policy issue that transcends ordinary business matters. *PayPal Holdings, Inc.* (Apr. 7, 2022) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested that the company’s board of directors compare the company’s code of business conduct and ethics with the actual operations of the company, noting that “the [p]roposal relates to, and does not transcend, ordinary business matters”).

B. The Proposal Is Excludable Because The Primary Focus Of The Proposal Is The Company’s Public Relations And Financial Management.

As noted above, the primary focus of the Proposal relates to the manner in which the Company manages its “reputation, viability and profitability” in connection with alleged incongruencies between the Company’s actions and its policies. By focusing on the impact of management actions on the Company’s reputation, the Proposal implicates the Company’s management of its public relations,¹ and by focusing on the impact of management actions on the Company’s viability and profitability, the Proposal focuses on the operational, economic, and financial implications of management’s actions implementing Company

¹ The Public Relations Society of America, in defining “public relations,” makes clear that public relations are designed to address a company’s reputation, stating “[a]t its core, public relations is about influencing, engaging and building a relationship with key stakeholders across numerous platforms in order to shape and frame the public perception of an organization.” *Available at:* <https://www.prsa.org/about/all-about-pr#:~:text=A%20more%20modern%20definition%20of,PRSA>.

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policies. Both management of public relations and management of a company's viability and profitability are ordinary business issues, and in the context of the Proposal do not implicate significant social policy issues.

The Staff has for decades consistently concurred that a company's public relations activities are part of its ordinary business operations. *E.I. du Pont de Nemours and Co.* (avail. Feb. 23, 1993) (concurring with the exclusion under the predecessor to Rule 14a-8(i)(7) of a proposal requesting that the company take an active role against the environmental movement because the proposal related to the company's "advertising and public relations policy"); *Apple Computer, Inc.* (avail. Oct. 20, 1989) (concurring with the exclusion under the predecessor to Rule 14a-8(i)(7) of a proposal requesting that the company create a committee to regulate public use of the company's logo because the proposal related to the company's ordinary business operations, specifically "operational decisions with respect to advertising, public relations and related matters"). *See also Johnson & Johnson* (avail. Jan. 31, 2018) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company prepare a report detailing the known and potential risks and costs to the company caused by pressure campaigns from outside "activists" seeking to dictate the company's free speech and freedom of association rights where the company argued, among other things, that the proposal related to its public relations activities); *The Home Depot, Inc.* (avail. Feb. 23, 2017) (same); *Johnson & Johnson* (avail. Jan. 12, 2004) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal requesting a review of pricing and marketing policies and a report disclosing how the company intended to respond to "public pressure to reduce prescription drug pricing" where the Staff noted that "marketing and public relations" are ordinary business matters).

In recent years, the Staff has continued applying these precedents to concur in the exclusion of proposals that, as with the Proposal, focus on the financial and business implications of public relations activities and public policy positions that companies have taken. For example, in *Walmart Inc. (The Bahnsen Family Trust Dated July 15th 2003)* (avail. Apr. 10, 2023), the company had received a shareholder proposal requesting that it "prepare . . . a report to shareholders . . . listing and analyzing social and political statements made by or on behalf of the company in recent years" including "public endorsements, . . . and press statements released by the company" and stating that the report should, among other things, "analyze whether the policies advocated can rigorously be established to be of pecuniary benefit to the company." The company argued that the proposal sought to inappropriately involve shareholders in the company's management of its public relations, and the Staff concurred that the proposal could be excluded under Rule 14a-8(i)(7). *See also McDonald's Corp. (The Bahnsen Family Trust Dated July 15th 2003)* (avail. Apr. 3, 2023) (same); *Johnson & Johnson (National Legal and Policy Center)* (avail. Mar. 2, 2023) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal submitted by the Proponent requesting that the company publish a report "explaining the business rationale for

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its participation in corporate and executive membership organizations, and how such involvement by the Company and its corporate leaders fulfills its fiduciary duty to shareholders,” where the company argued, among other things, that the proposal attempted to direct the company’s application of ethical principles and strategy for enhancing shareholder value).

More generally, when a proposal “reveal[s] a central theme of financial management” the Staff has concurred with exclusion on the grounds that the proposal relates to ordinary business operations. *CVS Health Corp.* (avail. Mar. 8, 2016). For example, in *Amazon.com, Inc. (Green Century Capital Management, Inc. et al.)* (avail. Apr. 10, 2018), the shareholder proposal at issue required the company to issue a report on “company-wide efforts to assess, reduce and optimally manage food waste,” but focused on the economic costs and competitive implications of food waste. The company argued that the proposal and supporting statements framed the issue to focus on the ordinary financial goals of reducing expenses and competing effectively, and the Staff concurred in exclusion on Rule 14a-8(i)(7) grounds. In *CVS Health Corp.*, the shareholder proposal requested that the company set targets to increase renewable energy sourcing and included several statements pointing to cost savings as a driving factor for the targets. The company argued that the proposal, framed principally as a cost-saving measure, focused on the company’s day-to-day financial management, and the Staff concurred in exclusion on Rule 14a-8(i)(7) grounds. *See also FLIR Systems, Inc.* (avail. Feb. 6, 2013) (“Proposals that concern the manner in which a company manages its expenses are generally excludable under rule 14a-8(i)(7).”); *Ford Motor Co.* (Feb. 24, 2007) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company’s chairman “honor his commitments to shareholders to increase stock performance,” noting that the proposal appeared to relate to the company’s “ordinary business operations (i.e., strategies for enhancing shareholder value)”).

Here, the Proposal is focused on how actions the Company takes in alignment or perceived misalignment with certain policies “impact how the Company maintains its reputation, viability and profitability.” Just as with the proposals cited above, by focusing on the impact of management actions on the Company’s reputation, the Proposal implicates the Company’s management of its public relations, and by focusing on the impact of management actions on the Company’s viability and profitability, the Proposal targets the economic and financial implications of management actions. Assessing how management actions implementing company policies may impact reputation, viability, and profitability implicates exactly the type of day-to-day operational considerations that Rule 14a-8(i)(7) recognizes as a proper function for management. To assess the impact of a company’s actions on its reputation, viability, or profitability requires a complex calculation involving knowledge of customer relations, applicable costs, operational challenges, applicable regulatory and legal requirements, financial analysis, and much more. For shareholders to be able to understand the interplay between a company’s actions and the resulting impact on its reputation, viability, or profitability, they

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would have to probe into exactly the type of day-to-day management functions that Rule 14a-8(i)(7) is intended to avoid. The Company is one of the world's largest global technology companies, and decisions and actions affecting its reputation, viability, and profitability are central to the Company's core competencies as well as its day-to-day operations. Because management of the Company's reputation, viability, and profitability is inherent to the day-to-day operation of the Company's business, the Proposal may be excluded under Rule 14a-8(i)(7), consistent with the precedents discussed above.

C. The Proposal Does Not Focus On A Significant Social Policy Issue That Transcends The Company's Ordinary Business Operations.

In the 1998 Release, the Commission reaffirmed the standards for when proposals are excludable under the "ordinary business" provision that the Commission had initially articulated in Exchange Act Release No. 12999 (Nov. 22, 1976) (the "1976 Release"). In the 1998 Release, the Commission also distinguished proposals pertaining to ordinary business matters that are excludable under Rule 14a-8(i)(7) from those that "focus on" significant social policy issues. The Commission stated, "proposals relating to [ordinary business] matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." 1998 Release.

In SLB 14L, the Staff realigned its approach for determining whether a proposal relates to "ordinary business" with the standard the Commission initially articulated in 1976 and reaffirmed in the 1998 Release. In addition, the Staff stated that in administering Rule 14a-8(i)(7), the Staff "will instead focus on the social policy significance of the issue that is the subject of the shareholder proposal" and "consider whether the proposal raises issues with a broad societal impact, such that they transcend the ordinary business of the company."

Here, the Proposal relates to how the alignment of management's actions with the Company's privacy and human rights policies impact the Company's reputation, viability, and profitability. The Proposal does not question the terms of the Company's privacy and human rights policies or the positions the Company has taken in those policies, but instead focuses on the extent to which management's actions are consistent with those policies and how such congruency, or any alleged lack thereof, impacts the Company's ability to maintain its "reputation, viability and profitability." As such, the Proposal is not focused on issues with a "broad societal impact," but instead is focused on how management manages the Company's public relations and reputation and the Company's financial viability and profitability.

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The Staff has long concurred with the exclusion of proposals that focus on the economic aspects of a company's business and operations, but that also reference topics that might in other contexts raise significant social policy issues. Stated differently, proposals that focus on ordinary business matters but reference significant policy issues are not transformed by such reference from an otherwise ordinary business proposal into one that transcends ordinary business, and as such, remain excludable under Rule 14a-8(i)(7). For example, in *J.P. Morgan Chase & Co.* (avail. Apr. 3, 2023), the Staff concurred with the exclusion under Rule 14a-8(i)(7) of a proposal requesting a report on the company's administration of customer relationships, even though the proposal's supporting statements raised concerns over whether management's actions administering customer accounts reflected political or religious discrimination. Similarly, in *Amazon.com, Inc. (Green Century Capital Management, Inc. et al.)* and *CVS Health Corp.*, the proposals were excludable because they focused on the economic and ordinary business aspects of the companies' operations, even though they referenced significant social policy issues. *See also CIGNA Corp.* (avail. Feb. 23, 2011) (permitting exclusion under Rule 14a-8(i)(7) when the proposal asked CIGNA to report on expense management, an ordinary business matter, even though it also addressed the potential significant policy issue of access to affordable health care); *Dominion Resources, Inc.* (avail. Feb. 3, 2011) (concurring in the exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company promote "stewardship of the environment" by initiating a program to provide financing to home and small business owners for installation of rooftop solar or renewable wind power generation, since the proposal related to "the products and services offered for sale by the company"); *Ford Motor Co.* (avail. Mar. 2, 2004) (concurring with the exclusion of a proposal requesting that the company publish a report about global warming/cooling, where the report was required to include details of indirect environmental consequences of its primary automobile manufacturing business).

Here, even though the Proposal references significant societal issues such as privacy and human rights, it is comparable to the foregoing precedents because it focuses on the impacts of management's actions on the Company's ability to maintain its reputation, viability, and profitability, which are ordinary business matters. The Proposal focuses not on the Company's privacy or human rights policies, but on the impacts management's actions administering the Company's policies have on the Company's reputation, viability, and profitability, which are issues that management of the Company must consider daily and which involve complex considerations not appropriate for shareholder oversight. Accordingly, the Proposal does not transcend the Company's ordinary business and is excludable under Rule 14a-8(i)(7) because it relates to ordinary business matters.

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II. The Proposal May Be Excluded Under Rule 14a-8(i)(10) Because The Company Has Substantially Implemented The Proposal.

The Company's existing disclosures already address the alignment of the Company's actions with its policies, and the Company already has existing processes in place for the Board to oversee the Company's actions under its privacy and human rights policies. A report "analyzing the congruency of the Company's privacy and human rights policy positions with its actions" as requested by the Proposal would do no more than bring the Company's comprehensive existing disclosures into a single report. Since this information is all publicly disclosed, shareholders and the public are already able to assess the alignment between the Company's policies and actions and any impact of management's actions implementing its policies on the Company's reputation, viability, and profitability already is reflected in the market's and the public's perception of the Company. Therefore, the Proposal is properly excludable under Rule 14a-8(i)(10).

The Proposal and Supporting Statement suggest that there is a lack of congruency between certain Company policies and Company actions, necessitating an evaluation of the impact of any such incongruencies on the Company's "reputation, viability and profitability." As discussed below, the Company already has reported on the alignment of its actions with its human rights and privacy policies. *See Apple Inc. (Sum of Us)* (avail. Dec. 17, 2020) (concurring, based on information the Company had already posted on its website, with the exclusion of a proposal requesting that the Board report annually on Apple's management systems and processes for implementing its human rights policy commitments regarding freedom of expression and access to information; the oversight mechanisms for administering such commitments; and a description of actions Apple has taken in response to government or other third-party demands that were reasonably likely to limit free expression or access to information). Accordingly, there is no need for further reporting on how management implements the Company's policies, since that information already is publicly reported and the Company's reputation, viability, and profitability already fully reflect any impact of the Company's actions implementing its privacy and human rights policies, rendering the Proposal moot. Therefore the Company has substantially implemented the Proposal for purposes of Rule 14a-8(i)(10).

A. The Substantial Implementation Standard.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has "substantially implemented" the proposal. The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was "designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." 1976 Release. Originally, the Staff narrowly interpreted this predecessor rule and concurred with the exclusion of a proposal only when proposals were

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“‘fully’ effected” by the company. *See* Exchange Act Release No. 19135 (Oct. 14, 1982). By 1983, the Commission recognized that the “previous formalistic application of [the rule] defeated its purpose” because proponents were successfully avoiding exclusion by submitting proposals that differed from existing company policy in minor respects. Exchange Act Release No. 20091, at § II.E.6. (Aug. 16, 1983) (“1983 Release”). Therefore, in the 1983 Release, the Commission adopted a revised interpretation of the rule to permit the omission of proposals that had been “substantially implemented,” and the Commission codified this revised interpretation in Exchange Act Release No. 40018, at n.30 (May 21, 1998).

Applying this standard, when a company can demonstrate that prior actions address the underlying concerns and essential objectives of a shareholder proposal, the Staff has concurred that the shareholder proposal has been “substantially implemented” and may be excluded as moot. The Staff has noted that “a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Walgreen Co.* (avail. Sept. 26, 2013); *Texaco, Inc. (Recon.)* (avail. Mar. 28, 1991).

Moreover, precedent under Rule 14a-8(i)(10) confirms that the standard for determining whether a proposal has been “substantially implemented” is not dependent on the means by which implementation is achieved. *Johnson & Johnson* (avail. Feb. 17, 2006) (Staff concurred in exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company’s board verify the employment legitimacy of all future company employees and terminate any employees not in compliance was substantially implemented by laws requiring the company to verify employment eligibility of employees and terminate ineligible employees); *Intel Corp.* (avail. Mar. 11, 2003) (concurring that a proposal requesting that the company submit for shareholder approval all equity compensation plans and amendments to add shares to those plans was substantially implemented by a stock exchange rule change requiring that most equity plans and plan amendment be subject to shareholder approval).

In addition, a company need not implement a proposal in exactly the same manner set forth by the proponent. In *General Motors Corp.* (avail. Mar. 4, 1996), the company observed that the Staff had not required that a company implement the action requested in a proposal exactly in all details but had been willing to issue no-action letters under the predecessor of Rule 14a-8(i)(10) in situations where the “essential objective” of the proposal had been satisfied. The company further argued, “[i]f the mootness requirement [under the predecessor rule] were applied too strictly, the intention of [the rule]—permitting exclusion of ‘substantially implemented’ proposals—could be evaded merely by including some element in the proposal that differs from the registrant’s policy or practice.” Therefore, if a company has satisfactorily addressed both the proposal’s underlying concerns and its “essential objective,” the proposal will be deemed “substantially implemented” and, therefore, may be excluded. *See, e.g., Alliant Energy Corp.* (avail. Mar. 30, 2023) (concurring with the

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exclusion of a proposal requesting a report on the company's progress toward its goal of net zero by 2050, where the requested information was already disclosed in an ESG performance summary, a climate report and on its website); *Comcast Corp.* (avail. Apr. 9, 2021) (concurring with the exclusion of a proposal requesting the company prepare a report assessing the company's diversity and inclusion efforts, where the requested information was already disclosed in a related statement, the company's diversity, equity, and inclusion reports, and the company's proxy statement for the prior year's annual meeting); *The Wendy's Co.* (avail. Apr. 10, 2019) (concurring with exclusion of a proposal requesting that the board of directors prepare a report on the company's process for identifying and analyzing potential and actual human rights risks of operations and supply chain where the company already had a code of conduct for suppliers, a code of business conduct and ethics, and other policies and public disclosures concerning supply chain practices and other human rights issues that achieved the proposal's essential objective).

B. The Company's Public Disclosures Already Report On How The Company's Practices, Activities, And Initiatives Align With Its Policies And, Therefore, Substantially Implement The Proposal.

The Whereas clause of the Proposal and its Supporting Statement assert that there are inconsistencies and incongruencies between the Company's policies and its actions, and request a report on impacts of the alleged incongruencies on the Company's "reputation, viability and profitability." As explained in its Human Rights Policy, a copy of which is attached hereto as Exhibit B,² Apple is deeply committed to respecting internationally recognized human rights standards, including privacy, freedom of expression, and access to information. This commitment is further reflected in Apple's Privacy Policy, a copy of which is attached hereto as Exhibit C,³ and Apple's service-specific privacy notices.⁴ The human rights principles set forth in the Human Rights Policy are embedded in management's operation of the business, including with respect to its day-to-day operations. Because the Company's management and review of how its programs, initiatives and actions align with its stated principles are core functions of the business, the Company already publishes extensive periodic reports on how the Company's actions align with its human rights and privacy policies. Moreover, in *Apple Inc. (Sum of Us)*, the Staff concurred that those disclosures substantially implemented a proposal requesting that Apple report on its management systems and processes for implementing its human rights policy commitments.

² The Human Rights Policy also is publicly available at: https://s2.q4cdn.com/470004039/files/doc_downloads/gov_docs/2020/Apple-Human-Rights-Policy.pdf.

³ The Privacy Policy also is publicly available at: <https://www.apple.com/legal/privacy/en-ww/>.

⁴ The list of documents is publicly available at: <https://www.apple.com/legal/privacy/data/>.

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The assertions in the Proposal and Supporting Statement that there are incongruencies between the Company's actions and its policies are based on a selective reading of the Company's Human Rights Policy that disregards the policy's explicit acknowledgement that the Company is required to comply with "local laws, and at times there are complex issues about which [the Company] may disagree with governments and other stakeholders on the right path forward." The Human Rights Policy specifies that where national law and international human rights standards conflict, "we respect national law while seeking to respect the principles of internationally recognized human rights."

With respect to many of the examples the Supporting Statement cites as perceived evidence of incongruity, the oldest of which dates back to 2016, the Company issued public statements at the time explaining its approach.⁵ Thus, while these issues reflect the complexities of managing the day-to-day operations of a large international corporation, they do not reflect incongruencies between the Company's policies and actions.

The Company has therefore publicly addressed many of the alleged incongruencies that the Proposal and Supporting Statement claim exist, and disclosed publicly at the time how its actions aligned with the Company's policies. To understand more broadly how the Company's actions align with its policies beyond the cited examples, one need look no further than the Company's public disclosures, including its Privacy website, its People and Environment in Our Supply Chain – 2023 Annual Progress Report ("Supply Chain Report") and Supplier Code of Conduct, its App Store Transparency Report and App Store Review Guidelines, and its Environmental Progress Report, among others.

Each of these reports or websites reaffirms Apple's commitment to its human rights or privacy policies, as applicable, and demonstrate how the Company seeks to align its actions with those policies. For example:

- Apple's Privacy website⁶ affirms the Company's belief that "Privacy is a fundamental human right. It's also one of our core values. Which is why we design our products and services to protect it." The Privacy website sets out Apple's privacy features that demonstrate the Company's commitment to its core value of privacy;
- The Company's App Store Transparency Report⁷ and the Company's App Store

⁵ See <https://www.nytimes.com/2017/01/04/business/media/new-york-times-apps-apple-china.html> and <https://www.cnet.com/tech/mobile/apple-pulls-hkmap-live-app-used-in-hong-kong-protests/>.

⁶ See <https://www.apple.com/privacy/>.

⁷ See <https://www.apple.com/legal/more-resources/docs/2022-App-Store-Transparency-Report.pdf> and <https://www.apple.com/legal/zip/2022-Supplemental-Data-File.zip>.

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Review Guidelines⁸ provide data about how the Company operates the App Store in all 175 countries and regions where it's available, including in-depth information on government app removal requests, demonstrating how the Company's actions align with its positions.

- The Company's Supply Chain Report⁹ describes how Apple upholds the highest standards across its supply chain, in its care for people and the planet, and Apple's Supplier Code of Conduct¹⁰ requires the companies Apple does business with to abide by rigorous labor, health and safety, and environmental standards, and to respect the fundamental human rights of all people. In alignment with the Company's human rights policies, the Supply Chain Report states that "We set standards, and we verify they're met – and in 2022, that included 808 independent, third-party assessments of our supplier facilities and 265 of smelters and refiners in our supply chain in more than 50 countries" and further affirms that "[a]s required by our Code and Standards, suppliers cannot have operations in, recruit labor directly or indirectly from, or source materials, products, or services directly or indirectly from regions where Apple and third-parties cannot access and conduct a comprehensive, independent evaluation of the supplier's compliance with our Code and Standards."
- Apple's Environmental Progress Report¹¹ describes how Apple's efforts align with its Human Rights Policy by maintaining "the highest standards in [its] due diligence and respect for human rights," and setting out Apple's goals and progress, as well as challenges it faces in its efforts.

Moreover, Apple published in July 2023 a Civil Rights Assessment conducted by former U.S. Attorney-General Eric Holder and his team at Covington & Burling LLP. The report concluded that "Apple's work to respect civil rights and to promote diversity, equity, and inclusion is guided by its core values—including accessibility, inclusion and diversity, and privacy—and that Apple has undertaken extensive efforts to accomplish these objectives. These efforts, many of which began years ago, are reflected in Apple's current policies and practices, which we concluded are well designed, well implemented, and robust."¹²

As demonstrated, while the Proposal's request to report on the alignment of all Company

⁸ See <https://developer.apple.com/app-store/review/guidelines/>.

⁹ See https://www.apple.com/supplier-responsibility/pdf/Apple_SR_2023_Progress_Report.pdf.

¹⁰ See <https://www.apple.com/supplier-responsibility/pdf/FY23-Supplier-Code-of-Conduct-and-Supplier-Responsibility-Standards.pdf>.

¹¹ See https://www.apple.com/environment/pdf/Apple_Environmental_Progress_Report_2023.pdf.

¹² See https://s2.q4cdn.com/470004039/files/doc_downloads/2023/07/Apple-Covington-Report-2023.pdf.

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actions with its human rights and privacy policies is broad, the Company has in fact published comprehensive reports documenting and demonstrating how its actions align with its human rights and privacy policies. These reports, as well as the Company's statements with respect to the examples cited in the Supporting Statement, are publicly available, and therefore any impact on the Company's "reputation, viability and profitability" already is available to shareholders and the public and reflected in the market's and the public's perception of the Company.

Further, the Company's work in this respect is all done under the active oversight of the Company's Board, which oversees management's direction of privacy and human rights issues and receives management reports on these topics. For example, with respect to the Board's oversight of human rights issues, Apple's Human Rights Policy expressly provides that the full Board is responsible for overseeing and periodically reviewing the policy, while Apple's Senior Vice President and General Counsel oversees its ongoing implementation and reports to the Board and its committees on progress and significant issues. And as noted in the Company's 2023 Proxy Statement, the Company's Nominating and Corporate Governance Committee assists the Board with oversight of environmental and social matters, and oversaw Apple's civil rights assessment published in July 2023. With respect to the Board's oversight of privacy, the 2023 Proxy Statement attests that the Audit and Finance Committee "receives regular updates from management, including Apple's Head of Information Security. Additionally, the Audit Committee reviews reports on privacy and data security matters from Apple's General Counsel, and from the heads of Compliance and Business Conduct, Business Assurance, and Internal Audit." As such, the Board, as part of its routine oversight of the Company's operations, already oversees the alignment of management's actions with the Company's human rights and privacy policies.

C. Because The Company Has Already Reported On How Its Actions Align With Its Policies, The Impact Is Already Reflected, And Therefore The Proposal Is Moot.

As discussed above, in the *Apple Inc. (Sum of Us)* no-action letter, the Staff concurred that the Company's public disclosures report on, among other things, Apple's "management systems and processes for implementing its human rights policy commitments" and its "oversight mechanisms for administering such commitments." Because the Company has already publicly reported on how its actions align with its policies, shareholders and the public already may assess that information and the Company's reputation, viability, and profitability already fully reflect any impact of the Company's actions implementing its privacy and human rights policies. Under well-established precedent, when the objective of a proposal has already been achieved, even if as a result of actions or facts that differ from those contemplated by the proposal, the proposal is properly excludable under Rule 14a-8(i)(10). *See Mattel Inc.* (avail. Feb. 3, 2010) (concurring in the exclusion under

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Rule 14a-8(i)(10) of a proposal requesting that the company's board take steps to permit shareholders to act by written consent of a majority of shares outstanding when the company argued that such right was already granted pursuant to Delaware law); *Intel Corp.* (avail. Feb. 14, 2005) (concurring that a proposal calling for a company policy to expense stock options had been substantially implemented through an accounting rule change). Rule 14a-8(i)(10) is designed for exactly this situation, to avoid shareholders having to consider and vote on matters that are moot, and therefore the Proposal may properly be excluded under Rule 14a-8(i)(10).

CONCLUSION

Based upon the foregoing analysis, the Company intends to exclude the Proposal from its 2024 Proxy Materials, and we respectfully request that the Staff concur that the Proposal may be excluded under Rule 14a-8.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8671.

Sincerely,



Ronald O. Mueller

Enclosures

cc: Paul Chesser, National Legal and Policy Center
Sam Whittington, Apple Inc.

EXHIBIT A



September 14, 2023

Ms. Katherine Adams
Senior Vice President, General Counsel and Secretary
Apple Inc.
One Apple Park Way
MS: 927-4GC
Cupertino, CA 95014

VIA FEDEX & EMAIL: shareholderproposal@apple.com

Dear Ms. Adams/Corporate Secretary:

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in Apple Inc.'s ("Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the U.S. Securities and Exchange Commission's proxy regulations.

National Legal and Policy Center (NLPC) is the beneficial owner of 331.138 shares of the Company's common stock with a value exceeding \$2,000, with which a sufficient number of shares for proposal eligibility have been held continuously for more than three years prior to this date of submission. NLPC intends to hold the shares through the date of the Company's next annual meeting of shareholders. A proof of ownership letter is forthcoming and will be delivered to the Company.

The Proposal is submitted in order to promote shareholder value by requesting the Board of Directors to produce a Congruency Report on Privacy and Human Rights. Either an NLPC representative or I will present the Proposal for consideration at the annual meeting of shareholders.

I or an NLPC representative can be available to meet with the Company via teleconference between the hours of 8:00 a.m. and 2:00 p.m. Pacific Time, on any day Monday through Friday, between October 2 and October 13, 2023.

I can be reached at [REDACTED] or at [REDACTED]

If you have any questions, please contact me at the above phone number. Copies of correspondence or a request for a "no-action" letter should be forwarded to me at [REDACTED]

Nat'l Headquarters: 107 Park Washington Court, Falls Church, Virginia 22046

Phone: [REDACTED] Email: [REDACTED]

[REDACTED] Please do NOT send
correspondence to our national headquarters.

Sincerely,

A handwritten signature in cursive script that reads "Paul Chesser". The signature is fluid and written in dark ink.

Paul Chesser
Director
Corporate Integrity Project

Enclosure: "Congruency Report on Privacy and
Human Rights" proposal

Congruency Report on Privacy and Human Rights

WHEREAS: Inconsistency and incongruity persist between articulated and published policies and actual practices and operations, and pose substantial risk to companies, their customers, and society at large.

Apple Inc. (the “Company”) “believe[s] security shouldn’t come at the expense of individual privacy.”¹ Its published “commitment to human rights” espouses the following principles:²

- “We believe in the power of technology to empower and connect people around the world...”
- “Our human rights policy governs how we treat everyone—from our customers and teams to our business partners...”
- “We ... make technology for people that respects their human rights, [and] empowers them with useful tools and information ...”
- “We believe in the critical importance of an open society in which information flows freely, and we’re convinced the best way we can continue to promote openness is to remain engaged, even where we may disagree with a country’s laws...”
- “We work every day to make quality products ... available to our users in a way that respects their human rights. We’re required to comply with local laws, and at times there are complex issues about which we may disagree with governments...”

While any freedom-loving individual would likely admire such principles, Apple appears to implement – or rescind – them inconsistently across countries where it conducts business, and incongruently with its principles.

For example in China, the Company severely restricted use of its AirDrop wireless filesharing feature on users’ iPhones during protests against Chairman Xi Jinping’s “zero COVID” policies in late 2022.³ Similarly, in 2017 Apple removed the *New York Times*’s apps from the App Store in China in 2017,⁴ and removed apps including HKmap.live and Quartz from its offerings, during the protests in Hong Kong in 2019.⁵

Yet upon the invasion into Ukraine, the Company halted the sale of all its products in Russia and stopped exports into the country.⁶ “We are deeply concerned about the Russian invasion of Ukraine and stand with all of the people who are suffering as a result of the violence,” said an Apple spokesman. As a result, Apple stood to lose as much as \$1.14 billion (U.S.) annually in

¹ <https://www.apple.com/privacy/government-information-requests/>

² https://s2.q4cdn.com/470004039/files/doc_downloads/gov_docs/2020/Apple-Human-Rights-Policy.pdf

³ <https://www.cnn.com/2022/11/11/business/china-apple-airdrop-function-restricted-hnk-intl/index.html>

⁴ <https://money.cnn.com/2017/01/05/technology/apple-nyt-china-app-store-remove/>

⁵ <https://www.cnn.com/2019/10/10/media/quartz-china-apple-app-store>

⁶ <https://www.npr.org/2022/03/01/1083776364/apple-russia-pauses-sales-stops-exports>

iPhone sales alone, and the decision removed access to Apple's critical communications and services for victims of the war.⁷

Considering these examples, it appears the Company's principles to "empower and connect people" as "a force for good" – while remaining "engaged" even where it disagrees with a government and its laws, by still making its products "available" to users – has its limits.

Resolved: Shareholders request the Board of Directors issue a report by March 31, 2025, at reasonable cost and omitting proprietary or confidential information, analyzing the congruency of the Company's privacy and human rights policy positions with its actions, especially in such places as war zones and under oppressive regimes, as they impact how the Company maintains its reputation, viability and profitability.

⁷ https://www.business-standard.com/article/international/apple-to-lose-3-mn-in-iphone-sales-daily-after-russia-pull-out-122030701009_1.html

EXHIBIT B



Our Commitment to Human Rights

"At Apple, we are optimistic about technology's awesome potential for good. But we know that it won't happen on its own. Every day, we work to infuse the devices we make with the humanity that makes us."

—Tim Cook

People Come First

At Apple, our respect for human rights begins with our commitment to treating everyone with dignity and respect. But it doesn't end there.

We believe in the power of technology to empower and connect people around the world—and that business can and should be a force for good. Achieving that takes innovation, hard work, and a focus on serving others.

It also means leading with our values. Our human rights policy governs how we treat everyone—from our customers and teams to our business partners and people at every level of our supply chain.

With humility, optimism, and an abiding faith in people, we're committed to respecting the human rights of everyone whose lives we touch.

Our Commitment to Human Rights

We're deeply committed to continually assessing our progress and building the lessons we learn into everything we do. We've worked hard to embed a respect for human rights across our company—in the technology we make, in the way we make it, and in how we treat people.

The Technology We Make

As a global technology company, we feel a deep sense of responsibility to make technology for people that respects their human rights, empowers them with useful tools and information, and enhances their overall quality of life.

We do that with our uncompromising commitment to security and user privacy—setting the industry standard for minimizing personal data collection. We build privacy protections into everything we make—from products like iPhone, to services like Apple Pay, to our comprehensive review process for every app on the App Store.

Hand in hand with the privacy of our users is our commitment to freedom of information and expression. Our products help our customers communicate, learn, express their creativity, and exercise their ingenuity. We believe in the critical importance of an open society in which information flows freely, and we're convinced the best way we can continue to promote openness is to remain engaged, even where we may disagree with a country's laws.

We act responsibly when it comes to the content on our platforms, and with services like Apple News, we make it easy for our users to find timely information from the most trusted sources. Across all our services, including the App Store, Apple Podcasts, and others, users can choose from a wide variety of options, and we carefully review the content on every Apple app and service against our guidelines and standards.

We work every day to make quality products, including content and services, available to our users in a way that respects their human rights. We're required to comply with local laws, and at times there are complex issues about which we may disagree with governments and other stakeholders on the right path forward. With dialogue, and a belief in the power of engagement, we try to find the solution that best serves our users—their privacy, their ability to express themselves, and their access to reliable information and helpful technology.

Finally, when it comes to making technology that empowers and connects people, we've always believed in creating the most accessible products and services in the world—because technology made for everyone should meet everyone's needs.

The Way We Make It

Respect for human rights shapes how we make our products and services. Our responsibilities go beyond our stores and corporate offices: They extend to our supply chain, the communities we're a part of, and the planet we all share.

Across our supply chain, we work hand in hand with our suppliers to ensure that every workplace provides a safe and respectful environment for everyone. We do that through mandatory trainings on labor and human rights, regular and independent audits, and an anonymous reporting system in which we investigate every complaint. If a company is not willing or able to meet our high standards, we will no longer do business with them.

We want to be a force for good in the lives of people in our supply chain and their communities. We're proud to work with our neighbors and suppliers to develop new skill sets, start businesses, and advocate for change. In addition to our global educational initiatives, we've partnered with local activists and international human rights nonprofits.

An essential part of our impact on humanity is our effort to protect the planet—in how we design, build, and recycle our products.

We run Apple on 100 percent renewable energy, and we're working with our suppliers to make the same transition. Every day, we're making progress on our goal of reaching a closed-loop supply chain that uses only recycled and renewable content. And we've put our innovation and expertise to the task of conserving water, making robots that recycle and recover precious materials, and sharing our road map for the future to inspire our industry peers to join us on our environmental journey.

How We Treat People

We've always said Apple's soul is our people. That's why we're committed to respecting the human rights of everyone whose lives we touch—including our employees, suppliers, contractors, and customers.

At Apple and throughout our supply chain, we prohibit harassment, discrimination, violence, and retaliation of any kind—and we have zero tolerance for violations motivated by any form of prejudice or bigotry. We require our employees to be trained annually on Apple's [Business Conduct Policy](#), which reflects our commitment to respect human rights and to conduct business ethically, honestly, and in compliance with applicable laws and regulations.

We're also deeply committed to the essential work of improving diversity, increasing inclusion, and advancing racial justice—both within our company and through efforts like our Racial Equity and Justice Initiative, which is focused on education, economic equality, and criminal justice reform. Our efforts here are motivated by a strong desire to create a welcoming and supportive environment for all our teams and to help combat discrimination, injustice, and systemic racism. We require every Apple employee to participate in trainings on unconscious bias, and we're working to improve representation and diversity in positions of leadership and at every level of our company.

Our Commitment to International Human Rights Standards

We're deeply committed to respecting internationally recognized human rights in our business operations, as set out in the United Nations International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Our approach is based on the UN Guiding Principles on Business and Human Rights. We conduct human rights due diligence to identify risks and work to mitigate them. We seek to remedy adverse impacts, track and measure our progress, and report our findings.

We believe that dialogue and engagement are the best ways to work toward building a better world. In keeping with the UN Guiding Principles, where national law and international human rights standards differ, we follow the higher standard. Where they are in conflict, we respect national law while seeking to respect the principles of internationally recognized human rights.

Transparency and Communication

We want everyone—from our customers to our industry peers—to know about our values and the progress we’re making for people and the planet.

We track and measure our performance across a range of areas, and we apply the lessons we learn to continually improve. We report our performance publicly in several ways, including in our [Transparency Report](#), and in our [Supplier Responsibility, Modern Slavery, and Conflict Minerals reports](#).

To make sure our progress is as meaningful and impactful as possible, we work with a broad range of groups—including workers’ rights advocates and local leaders—and consult with stakeholders that include United Nations bodies, governments, nongovernmental organizations, and the world’s leading human rights and labor experts.

Our Board of Directors has adopted this policy on behalf of Apple and is responsible for overseeing and periodically reviewing the policy. Apple’s Senior Vice President and General Counsel oversees the implementation of our policy and reports to the Board and its committees on our progress and significant issues.

We always strive to be an example for others to follow, and to share our progress to accelerate industrywide change. But we also know our work will never be finished—because we believe that if we aren’t finding ways to improve, we aren’t looking hard enough.

EXHIBIT C



Apple Privacy Policy

Apple's Privacy Policy describes how Apple collects, uses, and shares your personal data.

Updated December 22, 2022



In addition to this Privacy Policy, we provide data and privacy information embedded in our products and certain features that ask to use your personal data. This product-specific information is accompanied by our Data & Privacy Icon.

You will be given an opportunity to review this product-specific information before using these features. You also can view this information at any time, either in Settings related to those features and/or online at apple.com/legal/privacy/data.

You can familiarize yourself with our privacy practices, accessible via the headings below, and [contact us](#) if you have questions.

[Apple Health Study Apps Privacy Policy](#)

[What Is Personal Data at Apple?](#)
[Your Privacy Rights at Apple](#)
[Personal Data Apple Collects from You](#)
[Personal Data Apple Receives from Other Sources](#)
[Apple's Use of Personal Data](#)
[Apple's Sharing of Personal Data](#)
[Protection of Personal Data at Apple](#)
[Children and Personal Data](#)
[Cookies and Other Technologies](#)
[Transfer of Personal Data Between Countries](#)
[Our Companywide Commitment to Your Privacy](#)
[Privacy Questions](#)

What Is Personal Data at Apple?

At Apple, we believe strongly in fundamental privacy rights — and that those fundamental rights should not differ depending on where you live in the world. That's why we treat any data that relates to an identified or identifiable individual or that is linked or linkable to them by Apple as "personal data," no matter where the individual lives. This means that data that directly identifies you — such as your name — is personal data, and also data that does not directly identify you, but that can reasonably be used to identify you — such as the serial number of your device — is personal data. Aggregated data is considered non-personal data for the purposes of this Privacy Policy.

This Privacy Policy covers how [Apple or an Apple-affiliated company](#) (collectively, "Apple") handles personal data whether you interact with us on our websites, through Apple apps (such as Apple Music or Wallet), or in person (including by phone or when visiting our retail stores). Apple may also link to third parties on our services or make third-party apps available for download in our App Store. Apple's Privacy Policy does not apply to how third parties define personal data or how they use it. We encourage you to read their privacy policies and know your privacy rights before interacting with them.

Your Privacy Rights at Apple

At Apple, we respect your ability to know, access, correct, transfer, restrict the processing of, and delete your personal data. We have provided these rights to our global customer base and if you choose to exercise these privacy rights, you have the right not to be treated in a discriminatory way nor to receive a lesser degree of service from Apple. Where you are requested to consent to the processing of your personal data by Apple, you have the right to withdraw your consent at any time.

To exercise your privacy rights and choices including where a third-party service provider is acting on Apple's behalf, visit the Apple Data and Privacy page at privacy.apple.com for Apple or shazam.com/privacy for Shazam. To help protect the security of your personal data, you must sign in to your account and your identity will be verified. If you want to obtain a copy of personal data that is not currently available from privacy.apple.com, you can make a request at apple.com/legal/privacy/contact.

There may be situations where we cannot grant your request — for example, if you ask us to delete your transaction data and Apple is legally obligated to keep a record of that transaction to comply with law. We

may also decline to grant a request where doing so would undermine our legitimate use of data for anti-fraud and security purposes, such as when you request deletion of an account that is being investigated for security concerns. Other reasons your privacy request may be denied are if it jeopardizes the privacy of others, is frivolous or vexatious, or would be extremely impractical.

If you live in California and you cannot access Apple's Data and Privacy page, you or your authorized agent can make a request at apple.com/legal/privacy/contact or by calling 1-800-275-2273.

For more information on exercising your rights, visit support.apple.com/kb/HT208501.

Personal Data Apple Collects from You

At Apple, we believe that you can have great products and great privacy. This means that we strive to **collect only the personal data that we need**. Descriptions of how Apple handles personal data for certain individual services are available at apple.com/legal/privacy/data.

When you create an Apple ID, apply for commercial credit, purchase and/or activate a product or device, download a software update, register for a class at an Apple Store, connect to our services, contact us (including by social media), participate in an online survey, or otherwise interact with Apple, we may collect a variety of information, including:

- **Account Information.** Your Apple ID and related account details, including email address, devices registered, account status, and age
- **Device Information.** Data from which your device could be identified, such as device serial number, or about your device, such as browser type
- **Contact Information.** Data such as name, email address, physical address, phone number, or other contact information
- **Payment Information.** Data about your billing address and method of payment, such as bank details, credit, debit, or other payment card information
- **Transaction Information.** Data about purchases of Apple products and services or transactions facilitated by Apple, including purchases on Apple platforms
- **Fraud Prevention Information.** Data used to help identify and prevent fraud, including a device trust score
- **Usage Data.** Data about your activity on and use of our offerings, such as app launches within our services, including browsing history; search history; product interaction; crash data, performance and other diagnostic data; and other usage data
- **Location Information.** Precise location only to support services such as Find My or where you agree for region-specific services, and coarse location
- **Health Information.** Data relating to the health status of an individual, including data related to one's physical or mental health or condition. Personal health data also includes data that can be used to make inferences about or detect the health status of an individual. If you participate in a study using an Apple Health Research Study app, the policy governing the privacy of your personal data is described in the [Apple Health Study Apps Privacy Policy](#).

- **Fitness Information.** Details relating to your fitness and exercise information where you choose to share them
- **Financial Information.** Details including salary, income, and assets information where collected, and information related to Apple-branded financial offerings
- **Government ID Data.** In certain jurisdictions, we may ask for a government-issued ID in limited circumstances, including when setting up a wireless account and activating your device, for the purpose of extending commercial credit, managing reservations, or as required by law
- **Other Information You Provide to Us.** Details such as the content of your communications with Apple, including interactions with customer support and contacts through social media channels

You are not required to provide the personal data that we have requested. However, if you choose not to do so, in many cases we will not be able to provide you with our products or services or respond to requests you may have.

Personal Data Apple Receives from Other Sources

Apple may receive personal data about you from other individuals, from businesses or third parties acting at your direction, from our partners who work with us to provide our products and services and assist us in security and fraud prevention, and from other lawful sources.

- **Individuals.** Apple may collect data about you from other individuals — for example, if that individual has sent you a product or gift card, invited you to participate in an Apple service or forum, or shared content with you.
- **At Your Direction.** You may direct other individuals or third parties to share data with Apple. For example, you may direct your mobile carrier to share data about your carrier account with Apple for account activation, or for your loyalty program to share information about your participation so that you can earn rewards for Apple purchases.
- **Apple Partners.** We may also validate the information you provide — for example, when creating an Apple ID, with a third party for security, and for fraud-prevention purposes.

For research and development purposes, we may use datasets such as those that contain images, voices, or other data that could be associated with an identifiable person. When acquiring such datasets, we do so in accordance with applicable law, including law in the jurisdiction in which the dataset is hosted. When using such datasets for research and development, we do not attempt to reidentify individuals who may appear therein.

Apple's Use of Personal Data

Apple uses personal data to power our services, to process your transactions, to communicate with you, for security and fraud prevention, and to comply with law. We may also use personal data for other purposes with your consent.

Depending on the circumstance, Apple may rely on your consent or the fact that the processing is necessary to fulfill a contract with you, protect your vital interests or those of other persons, or to comply

with law. We may also process your personal data where we believe it is in our or others' legitimate interests, taking into consideration your interests, rights, and expectations. More information is available in the product-specific information embedded in our products and features as described above. If you have questions about the legal basis, you can contact the Data Protection Officer at apple.com/legal/privacy/contact.

- **Power Our Services.** Apple collects personal data necessary to power our services, which may include personal data collected to improve our offerings, for internal purposes such as auditing or data analysis, or for troubleshooting. For example, if you would like to access a song through an Apple Music subscription, we collect data on what songs you play in order to provide you with the content requested and for royalty purposes.
- **Process Your Transactions.** To process transactions, Apple must collect data such as your name, purchase, and payment information.
- **Communicate with You.** To respond to communications, reach out to you about your transactions or account, market our products and services, provide other relevant information, or request information or feedback. From time to time, we may use your personal data to send important notices, such as communications about purchases and changes to our terms, conditions, and policies. Because this information is important to your interaction with Apple, you may not opt out of receiving these important notices.
- **Security and Fraud Prevention.** To protect individuals, employees, and Apple and for loss prevention and to prevent fraud, including to protect individuals, employees, and Apple for the benefit of all our users, and prescreening or scanning uploaded content for potentially illegal content, including child sexual exploitation material.
- **Personal Data Used for Personalization.** If you choose to personalize your services or communications where such options are available, Apple will use information that we collect so that we can offer you those personalized services or communications. You can learn more about how relevant services use information to personalize your experience by reviewing the privacy information presented when you first use a service that asks to use your personal data. We make this information easy to find by presenting it with our Data & Privacy icon; it's also available at all times on your Apple device and online at apple.com/legal/privacy/data.
- **Comply with Law.** To comply with applicable law — for example, to satisfy tax or reporting obligations, or to comply with a lawful governmental request.

Apple does not use algorithms or profiling to make any decision that would significantly affect you without the opportunity for human review. Apple also does not use or disclose sensitive personal data for any purposes that would require a user to exercise a right to limit processing according to California law.

Apple retains personal data only for so long as necessary to fulfill the purposes for which it was collected, including as described in this Privacy Policy or in our service-specific privacy notices, or as required by law. We will retain your personal data for the period necessary to fulfill the purposes outlined in this Privacy Policy and our service-specific privacy summaries. When assessing retention periods, we first carefully examine whether it is necessary to retain the personal data collected and, if retention is required, work to retain the personal data for the shortest possible period permissible under law.

Apple's Sharing of Personal Data

Apple may share personal data with Apple-affiliated companies, service providers who act on our behalf, our partners, developers, and publishers, or others at your direction. Apple does not share personal data with third parties for their own marketing purposes.

- **Service Providers.** Apple may engage third parties to act as our service providers and perform certain tasks on our behalf, such as processing or storing data, including personal data, in connection with your use of our services and delivering products to customers. Apple service providers are obligated to handle personal data consistent with this Privacy Policy and according to our instructions.
- **Partners.** At times, Apple may partner with third parties to provide services or other offerings. For example, Apple financial offerings like Apple Card and Apple Cash are offered by Apple and our partners. Apple requires its partners to protect your personal data.
- **Developers and Publishers from Whom You Get a Subscription.** If you purchase a third-party subscription from the App Store or within Apple News, we create a Subscriber ID that is unique to you and the developer or publisher. The Subscriber ID may be used to provide reports to the developer or publisher, which include information about the subscription you purchased and your country of residence. If you cancel all of your subscriptions from a particular developer or publisher, the Subscriber ID will reset after 180 days if you do not resubscribe. This information is provided to developers or publishers so that they can understand the performance of their subscriptions.
- **Others.** Apple may share personal data with others at your direction or with your consent, such as when we share information with your carrier to activate your account. We may also disclose information about you if we determine that for purposes of national security, law enforcement, or other issues of public importance, disclosure is necessary or appropriate. We may also disclose information about you where there is a lawful basis for doing so, if we determine that disclosure is reasonably necessary to enforce our terms and conditions or to protect our operations or users, or in the event of a reorganization, merger, or sale.

Apple does not sell your personal data including as "sale" is defined in Nevada and California. Apple also does not "share" your personal data as that term is defined in California.

Protection of Personal Data at Apple

At Apple, we believe that great privacy rests on great security. We use **administrative, technical, and physical safeguards** to protect your personal data, taking into account the nature of the personal data and the processing, and the threats posed. We are constantly working to improve on these safeguards to help keep your personal data secure. For more information, visit our [Apple Platform Security](#) guide.

Children and Personal Data

Apple understands the importance of safeguarding the personal data of children, which we consider to be an **individual under the age of 13 or the equivalent age as specified by law in your jurisdiction**. That is why Apple has implemented additional processes and protections to help keep children's personal data safe.

To access certain Apple services, a child must have a child Apple ID. A child Apple ID may be created by the **parent** or, in the case of a Managed Apple ID, by the **child's educational institution**.

- **Parents.** To create a child account, parents must review the [Family Privacy Disclosure for Children](#), which describes how Apple handles children's personal data. If they agree, the parent must provide Apple with a verifiable parental consent.
- **Educational Institutions.** Educational institutions that participate in the Apple School Manager Program may also create Apple IDs for students, called "Managed Apple IDs." These schools are required to agree to the [Managed Apple IDs for Students Disclosure](#) which is included as Exhibit A to the Apple School Manager Agreement.

If we learn that a child's personal data was collected without appropriate authorization, it will be deleted as soon as possible.

To exercise privacy rights for your child's information, visit the [Apple Data and Privacy](#) page at [privacy.apple.com](#) and sign in to their account.

Cookies and Other Technologies

Apple's websites, online services, interactive applications, and advertisements may use "[cookies](#)" and [other technologies](#) such as web beacons. **These technologies help us to better understand user behavior including for security and fraud prevention purposes, tell us which parts of our websites people have visited, and facilitate and measure the effectiveness of advertisements and web searches.**

- **Communications Cookies.** These cookies are used to enable network traffic to and from Apple's systems, including by helping us detect any errors.
- **Strictly Necessary Cookies.** These cookies are set as required to provide a specific feature or service that you have accessed or requested. For example, they allow us to display our websites in the proper format and language, to authenticate and verify your transactions, and to preserve the contents of your Bag when shopping online at apple.com.
- **Other Cookies.** These cookies are used to understand how visitors interact with our websites and online services, including by helping us to assess the effectiveness of advertisements and web searches. Apple also uses these cookies to remember choices you make while browsing, so we can provide you with a customized experience.

If you prefer that Apple not use cookies, we provide you with the means to disable their use. If you want to disable cookies and you're using the Safari web browser, choose "Block all cookies" in Safari's privacy settings. If you are using a different browser, check with your provider to find out how to disable cookies. Certain features of the Apple website may not be available if all cookies are disabled.

In addition to cookies, Apple uses other technologies that help us achieve similar objectives.

In some email messages Apple sends to you, we provide a "click-through URL" that links you to content on the Apple website. When you click one of these URLs, they pass through a separate server before arriving at the destination page on our website. We track this click-through to help us determine interest in particular topics and measure whether we are communicating with you effectively. If you prefer not to be tracked in this way, you should not click graphic or text links in email messages.

Apple generally treats data we collect using these cookies and similar technologies as non-personal data. However, to the extent that Internet Protocol (IP) addresses or similar identifiers are considered personal data by local law, we also treat these identifiers as personal data in those regions. In addition, Apple sometimes combines non-personal data collected from these technologies with other personal data Apple holds. When we combine data in this way, we treat the combined data as personal data for purposes of this Privacy Policy.

Ads that are delivered by Apple's advertising platform may appear in Apple News, Stocks, or in the App Store. If you do not want to receive ads targeted to your interests from Apple's advertising platform in those apps, you can choose to disable Personalized Ads, which will opt your Apple ID out of receiving such ads regardless of what device you are using. On your iOS or iPadOS device, you can disable Personalized Ads by going to Settings > Privacy & Security > Apple Advertising and tapping to turn off Personalized Ads. On your Mac, you can disable Personalized Ads by going to System Settings > Privacy & Security > Privacy > Advertising, then deselecting Personalized Ads. You may still see ads in the App Store, Apple News, or Stocks based on context like your search query or the channel you are reading. If you disable Allow Apps to Request to Track, third-party apps cannot request to use the Advertising Identifier, a non personal identifier served by the operating system on your device, to track you across apps and websites owned by other companies.

Transfer of Personal Data Between Countries

Apple products and offerings connect you to the world. To make that possible, **your personal data may be transferred to or accessed by entities around the world**, including Apple-affiliated companies, to perform processing activities such as those described in this Privacy Policy in connection with your use of our products and services. Apple complies with laws on the transfer of personal data between countries to help ensure your data is protected, wherever it may be.

The Apple entity that controls your personal data may differ depending on where you live. For example, retail store information is controlled by individual retail entities in each country and Apple Media Services-related personal data may be controlled by various Apple entities as reflected in the terms of service. If you do not reside in the U.S., your personal data may be processed by Apple Inc. and other Apple-affiliated companies on behalf of the Apple entity controlling personal data for your jurisdiction. For example, Imagery and associated data collected by Apple around the world to improve Apple Maps and to support our Look Around feature is transferred to Apple Inc. in California.

Personal data relating to individuals in the European Economic Area, the United Kingdom, and Switzerland is controlled by Apple Distribution International Limited in Ireland. Apple's international transfer of personal data collected in the European Economic Area, the United Kingdom, and Switzerland is governed by [Standard Contractual Clauses](#). Apple's international transfer of personal data collected in participating Asia-Pacific Economic Cooperation (APEC) countries abides by the [APEC Cross-Border Privacy Rules \(CBPR\) System](#) and [Privacy Recognition for Processors \(PRP\) System](#) for the transfer of personal data. If you have questions or unresolved concerns about our APEC CBPR or PRP certifications, contact our [third-party dispute resolution provider](#).

Personal data relating to individuals in the People's Republic of China may be processed by Apple in countries outside of China. Where this occurs, it will be done in compliance with local laws, including the Personal Information Protection Law. As outlined in this Privacy Policy, Apple may also transfer such personal data to third parties, who may in turn store or transfer the data outside of China.

Our Companywide Commitment to Your Privacy

To make sure your personal data is secure, we communicate our privacy and security guidelines to Apple employees and strictly enforce privacy safeguards within the company.

Privacy Questions

If you have questions about Apple's Privacy Policy or privacy practices including where a third-party service provider is acting on our behalf, or you would like to contact our Data Protection Officer, you can contact us at apple.com/legal/privacy/contact or call the [Apple Support number](#) for your country or region. You can also ask us questions about how to submit a privacy complaint and we will endeavor to help.

Apple takes your privacy questions seriously. A dedicated team reviews your inquiry to determine how best to respond to your question or concern, including those inquiries received in response to an access or download request. In most cases, all substantive contacts receive a response within seven days. In other cases, we may require additional information or let you know that we need more time to respond.

Where your complaint indicates an improvement could be made in our handling of privacy issues, we will take steps to make such an update at the next reasonable opportunity. In the event that a privacy issue has resulted in a negative impact on you or another person, we will take steps to address that with you or that other person.

You may at any time — including if you are not satisfied with Apple's response — refer your complaint to the applicable regulator. If you ask us, we will endeavor to provide you with information about relevant complaint avenues which may be applicable to your circumstances.

When there is a material change to this Privacy Policy, we'll post a notice on this website at least a week in advance of doing so and contact you directly about the change if we have your data on file.

[View our APEC CBPR certification >](#)

[View our APEC PRP certification >](#)



NATIONAL LEGAL AND POLICY CENTER

November 15, 2023

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *Apple Inc.*
Shareholder Proposal of the National Legal and Policy Center ("NLPC")
Securities Exchange Act of 1934—Rule 14a-8

VIA EMAIL: shareholderproposals@sec.gov

Ladies and Gentlemen:

This letter responds to the letter dated October 23, 2023 from Ronald O. Mueller of Gibson, Dunn & Crutcher LLP, counsel for Apple Inc. ("Apple" or "Company"), requesting that the Division of Corporation Finance ("Staff") take no action if the Company excludes our shareholder proposal ("Proposal") from its proxy materials ("Proxy") for its 2024 annual shareholder meeting.

The Company's request provides insufficient justification for exclusion and should be denied no-action relief.

The Company's excuses to exclude our Proposal from the Proxy – because it allegedly fails to address a "significant social policy issue" that transcends the Company's "ordinary business operations" pursuant to Rule 14a-8(i)(7), and because it allegedly has already been "substantially implemented" pursuant to Rule 14a-8(i)(10) – are erroneous. Contrary to Apple's claims in its letter seeking no-action relief, NLPC's Proposal requests the Company deliver a report that addresses the question of the *congruency* between its *stated* privacy and human rights policies, its adherence to them (or potential lack thereof), and evidence that paints a picture of *incongruency* with those policies. This is information which does *not* presently exist in its publicly available materials for shareholders, customers and the general public. Because of these circumstances, by logic it should be understood that the request made in the Proposal has *not* been substantially implemented.

To address the Company's no-action request, following I will respond the Company's "Analysis" of two points of objection to our Proposal submission, in the order presented in its October 23 letter.

Nat'l Headquarters: 107 Park Washington Court, Falls Church, Virginia 22046

Phone: (703) 237-1970 Email: pchesser@nlpc.org

The Proposal does raise issues of broad societal impact that transcend the Company's ordinary business operations, and therefore the Proposal should NOT be excluded from its Proxy under Rule 14a-8(i)(7).

In its no-action request, the Company essentially concedes the social issue topics of the proposal – privacy and human rights – are of “broad societal impact” that can override the “ordinary business of the company” exemption allowed by the Division of Corporation Finance. The Company makes no attempt to argue that privacy rights and human rights issues do not rise to the “broad societal impact” level of significance. Indeed, at least six human rights-themed shareholder proposals have been considered at Apple’s annual meetings over the past 10 years.¹

Obviously aware that would be a failed argument, instead the Company, in order to substantiate its claim that the Proposal is still omissible, attempts to redefine the nature of the request and the parameters of its deliverables. In doing so, the Company argues that “a shareholder proposal being framed in the form of a request for a report does not change the nature of the proposal.” Unfortunately, changing “the nature of the proposal” is *exactly* what the Company attempts to do in its no-action request to Staff.

The Company’s mischaracterization of the Proposal is in its attempt to redefine it from what we ask for, which is a congruency analysis “of the Company’s privacy and human rights policy positions with its actions...as they impact how the Company maintains its reputation, viability and profitability.” Apple takes this request and reinvents it as a meddlesome exercise into the Company’s public relations and financial management decisions, and takes up the better part of two full pages citing irrelevant precedents to argue why the Proposal improperly and excessively (beyond the “broad societal impact” standard) intrudes on “ordinary business of the Company.”

It is worth pausing for a moment to note a significant flaw in the Company’s contentions about the precedents it cites to substantiate its case for exclusion. For example, it argues on Page 5 of its no-action request that “the Staff has for decades consistently concurred that a company’s public relations activities are part of its ordinary business operations” and that “the Staff has continued applying these precedents to concur in the exclusion of proposals....” The Company has *no idea*, in *any* past Staff rulings on no-action requests, which specific rationale or evidence Staff has depended upon to render its decisions. The Company would have to be a mind-reader to do so. Just because a company in the past has cited a case where the Staff ruled in support of no-action, does not mean the various arguments or precedents that company invoked were relevant, credible or convincing to the Staff.

¹ ProxyMonitor.org.

When companies seek no-action relief from Staff, their lawyers throw every type of example as “precedents” that they can think of in their briefs, in the hopes that something will resonate to win Staff’s agreement to exclude. But whenever Staff issues opinions favorable to companies, it only states that “there appears to be some basis for your view that the Company may exclude the Proposal....” Staff *never* identifies *which* precedents or evidence it found convincing to reach its conclusions. For this and other reasons of irrelevance, Staff should disregard any precedents cited by the Company in deciding whether our Proposal should be excluded from the Proxy.

As for the Company’s contention that the Proposal infringes on ordinary business matters that exceed the significance of the societal issues under consideration, its claims about meddling in day-to-day public relations and financial management decision-making are inaccurate.

The Proposal requests that the Company “[*analyze*] the *congruency* of the Company’s privacy and human rights policy positions with its actions, especially in such places as war zones and under oppressive regimes, as they impact how the Company maintains its reputation, viability and profitability” (emphasis added). Despite the no-action request’s extensive verbiage about how “public relations” and “financial management” are “ordinary business,” the Proposal seeks no intervention, adjustment or abridgment of those matters. To the degree the Proposal’s request seeks an assessment on impacts of “reputation, viability and profitability,” it is only in the context and evaluation of potential consequences and risk for the Company, which is of significant concern to shareholders.

The “analysis” sought is simply that: Review. Analyze. Evaluate. Report to shareholders. If, after such a report is compiled and delivered, the Company *then* decides to adjust its operations and practices, then *that* step is up to the Board and management – which would *then* fall under “ordinary business.” The Proposal does not ask for that step to be taken. The Proposal does *not* ask the Company to take “ordinary business” actions – to repeat, it asks for an evaluation.

To revisit the Proposal’s “Whereas” clause, citing a few examples to show it is worth shareholder consideration and complies with Rule 14a-8(i)(7):

- The Company states in its Human Rights Policy² that “we ... make technology for people that respects their human rights, [and] empowers them with useful tools and information,” yet Apple “severely restricted use of its AirDrop wireless filesharing feature on users’ iPhones during

² https://s2.q4cdn.com/470004039/files/doc_downloads/gov_docs/2020/Apple-Human-Rights-Policy.pdf.

- ☐ protests against Chairman Xi Jinping’s “zero COVID” policies in late 2022.”³
- ☐ The Company says “we believe in the critical importance of an open society in which information flows freely,” yet Apple “removed the *New York Times*’s apps from the App Store in China in 2017,⁴ and removed apps including HKmap.live and Quartz from its offerings, during the protests in Hong Kong in 2019.”⁵
- ☐ The Company says “we’re convinced the best way we can continue to promote openness is to remain engaged,” yet Apple “halted the sale of all its products in Russia and stopped exports into the country” after its invasion of Ukraine.⁶

Clearly the Proposal seeks to evaluate the *nexus* of policy and practice, having nothing to do with affecting “everyday business.”

Apple has not substantially implemented what NLPC has requested, and therefore the Proposal should NOT be excluded from its Proxy under Rule 14a-8(i)(10).

The Company claims it has already substantially implemented the Proposal by virtue of its existing policies and disclosures it publishes on its website.

But policies and alleged disclosures do not equal *analysis* of implementation and outcomes – that’s where an assessment of “congruency” comes in. Challenges that other companies have faced recently are instructive:

- ☐ Starbucks Corporation had a “policy” of allowing anyone to loiter in its restaurants and use its restrooms without making purchases, until many (mostly urban) locations were overrun with crime and homelessness occupation, which forced the closure of several stores.⁷

³ <https://www.cnn.com/2022/11/11/business/china-apple-airdrop-function-restricted-hnk-intl/index.html>.

⁴ <https://money.cnn.com/2017/01/05/technology/apple-nyt-china-app-store-remove/>

⁵ <https://www.cnn.com/2019/10/10/media/quartz-china-apple-app-store>

⁶ <https://www.npr.org/2022/03/01/1083776364/apple-russia-pauses-sales-stops-exports>

⁷ “Starbucks Store Closures Drive Shareholders to Request Oversight of Woke Policies,” National Center for Public Policy Research, March 23, 2023. See <https://nationalcenter.org/ncppr/2023/03/23/starbucks-store-closures-drive-shareholders-to-request-oversight-of-woke-policies/>.

- Similar to Apple, Starbucks's "Global Human Rights Statement"⁸ pledges to "[act] with courage, challenging the status quo and finding new ways to grow our company and each other ... Being present, connecting with transparency, dignity and respect..." The coffeemaker promised to its baristas in Russia "that no matter what, we stand together, as partners" after the country attacked Ukraine.⁹ Two months later the Company exited Russia permanently.¹⁰ Nearly every major multinational corporation, nearly all with human rights and worker welfare policies, have made the same decisions.
- Anheuser-Busch InBev has a Diversity & Inclusion Policy that "takes the widest possible view of diversity to include attributes such as age, gender, gender identity and expression, sexual orientation, language, ethnicity, nationality, family and marital status, religion and belief, social and economic background, veteran status, education, experience, disability and any other characteristics that make our colleagues unique."¹¹ It believes that "to maintain sustainable global competitive advantage for the next 100+ years, we need to embrace diversity and inclusion as both central and critical to our business strategy." But following this year's advertising debacle surrounding transgender influencer Dylan Mulvaney's promotion of Bud Light, the brand's sales fell off a cliff.¹²

Had the companies in the above examples conducted a self-evaluation of their policies – i.e., studied the "congruency" of their policies versus their practices – they may have never suffered reputational and economic setbacks.

Additionally, the Company uses seemingly impassioned but ultimately empty phrases and statements to characterize how it addresses human rights. These include banalities such as "deeply committed," "one of our core values," "upholds the highest standards," "care for people and the planet," "people come first," "a force for good," and "zero tolerance."

⁸ <https://stories.starbucks.com/press/2020/global-human-rights-statement/>

⁹ <https://stories.starbucks.com/press/2022/update-to-starbucks-partners-on-our-business-in-russia/>

¹⁰ <https://www.cnbc.com/2022/05/23/starbucks-will-exit-russia-after-15-years-closing-130-licensed-cafes.html>

¹¹ AB InBev Diversity & Inclusion Policy. See https://www.ab-inbev.com/content/dam/universaltemplate/ab-inbev/Better%20World/Our%20Policies/diversity-and-inclusion-policy/AB%20InBev%20Diversity%20%20Inclusion%20Policy_2021.pdf.

¹² "Bud Light brewer confident it can win back US drinkers, but sales are still down after backlash," The Associated Press, Oct. 31, 2023. See <https://www.live5news.com/2023/10/31/bud-light-brewer-is-still-struggling-sell-beer-north-america-over-trans-promotion-backlash/>.

The Company also claims it adheres to statements such as the United Nations International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights, as though that would fulfill the request made in the Proposal. Considering how the UN often sides with human rights violators, and misunderstands or misreads geopolitical issues and conflicts, it does not provide assurance that Apple adheres to the "highest standards." Nor does its hire of former U.S. Attorney General Eric Holder, whose current No. 1 calling is to short-circuit election integrity efforts around the country, inspire confidence in his oversight of the Company's Civil Rights Assessment.

The bottom line is despite what the Company says, it cannot lay claim to mutually exclusive positions that contradict each other:

- ☐ It is impossible to "to make technology for people that respects their human rights, empowers them with useful tools," and then yank those tools from them so a genocidal dictatorship can track those people down and make them disappear.
- ☐ It is incongruent to "make quality products...available to our users in a way that respects their human rights" while in the next breath dismissing that commitment to say the Company must "comply with local laws, and at times there are complex issues about which we may disagree with governments..." The extreme and harsh nature of the governments in question – with China heading the list – whose government puts political enemies in peril, go far beyond a "we just disagree" dismissal.
- ☐ It is absurd to expect a mistreated Chinese factory worker to report a supervisor as though the country has whistleblower protections that even remotely respect human rights. That is an iffy prospect for individual well-being even in "free" countries, much less under communism.

Conclusion

Contrary to the Company's assertions, the Proposal does *not* address the Company's "ordinary business" in a way that supersedes the transcendent public policy issue of privacy and human rights. As our proposal states, these policies have implications for Apple's reputation, viability and profitability, and therefore significant yet insufficiently disclosed risk for shareholders.

As outlined above with voluminous evidence and explanatory details, the

Office of Chief Counsel
Division of Corporation Finance
November 15, 2023
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Proposal is fully compliant with all aspects of Rule 14a-8. For this reason, NLPC asks the Staff to recommend enforcement action should the Company omit the Proposal.

A copy of this correspondence has been timely provided to the Company. If you have any questions or need more information, please feel free to contact me via email at pchesser@nlpc.org or by telephone at 662-374-0175.

Sincerely,

A handwritten signature in cursive script that reads "Paul Chesser".

Paul Chesser
Director
Corporate Integrity Project

Cc: Ronald O. Mueller, Gibson Dunn
Sam Whittington, Apple Inc.