

# Vote Bulletin – Apple Inc.

**Meeting Type** – Annual

**Meeting Date** – 03/10/23

**Key Issues** – Director time commitments; Executive compensation; Diversity, equity, and inclusion; Civil rights; Human rights; Geopolitical risk

**Vote Decisions** – State Street Global Advisors voted with management on all ballot items.

## Management Resolutions

Item number	Item description	Management recommendation	SSGA vote
1h	Elect Director	FOR	FOR
3	Advisory Vote to Ratify Named Executive Officers' Compensation	FOR	FOR

## Shareholder Resolutions

Item number	Item description	Management recommendation	SSGA vote
5	Report on Civil Rights and Non-Discrimination Audit	AGAINST	AGAINST
6	Report on Operations in Communist China	AGAINST	AGAINST
8	Report on Median Gender/Racial Pay Gap	AGAINST	AGAINST

## Voting Rationale

### For – Item 1h – Elect Director

At Apple Inc.'s 2022 annual meeting State Street Global Advisors voted against multiple directors for misalignment with our [expectations for director time commitments](#) and we held a number of engagements with the company to share our views on this issue. In its [2023 proxy](#), the company disclosed that “The Board amended its Corporate Governance Guidelines to require an annual review by the Nominating Committee of each director’s various time commitments. The Nominating Committee has determined that, in its view, no director currently has time commitments that would prevent them from properly discharging their duties as directors.” The amendments to the Corporate Governance Guidelines were responsive to our feedback and vote the previous year and as a result we supported all director candidates.

### For – Item 3 – Advisory Vote to Ratify Named Executive Officers' Compensation

Last year State Street Global Advisors voted against executive compensation at Apple’s annual meeting. At the time we expressed the need for a greater portion of executive pay to be linked to performance. Prior to its 2023 annual meeting we engaged with Apple and were pleased to learn that while the compensation vote passed with 64% investor support, Apple heard feedback from a number of investors and subsequently made structural changes to compensation. In particular we were supportive of the company’s decision to increase the portion of performance-based RSUs granted to its CEO from 50% to 75% moving forward beginning for his 2023 target equity award. As a result of these changes in pay structure, we voted ‘for’ the proposal to ratify the named executive officers' compensation.

### Against – Item 5 – Report on Civil Rights and Non-Discrimination Audit

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We voted against this proposal as we believe the company's existing approach to managing risks related to discrimination is adequate, especially as they are undergoing a civil rights audit. There is no evidence that the company's efforts related to inclusion do not include all employees, as the proponent claims in our view.

**Against – Item 6 – Report on Operations in Communist China**

While we understand the proponent's concerns regarding the risks of operating in markets that are exposed to human rights and geopolitical risk, we believe the company's existing disclosures and oversight regarding these risks are sufficient at this time.

**Against – Item 8 – Report on Median Gender/Racial Pay Gap**

We expect all companies in the US and the UK to provide public disclosure on: 1. Adjusted pay gaps related to race and gender within the company (Disclosure of the unadjusted pay gap is also encouraged, but not expected outside of the UK market at this time); 2. Strategy to achieve and maintain pay equity; and 3. Role of the board in overseeing pay strategies as well as diversity, equity and inclusion efforts. After reviewing Apple's relevant disclosures and engaging with the company, we believe that their current approach to managing risks related to pay equity is sufficient, especially given that the company is undergoing a civil rights audit.

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\*Pensions & Investments Research Center, as of 12/31/22.

†This figure is presented as of September 30, 2023 and includes approximately \$58.13 billion USD of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated. Please note all AUM is unaudited

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6065433.1.1.GBL.RTL Exp. Date: 9/30/2024