

Vote Bulletin – Apple Inc.

Meeting Type – Annual

Meeting Date – 03/04/22

Key Issues – Human Capital Management; Diversity, Equity and Inclusion

Vote Decisions – State Street Global Advisors voted against management on several items to express our concerns with the company’s approach to human capital management, and diversity, equity and inclusion.

Shareholder Resolutions

Item number	Item description	Management recommendation	SSGA vote
8	Report on Median Gender/Racial Pay Gap	AGAINST	FOR
9	Report on Civil Rights Audit	AGAINST	FOR
10	Report on Concealment Clauses	AGAINST	FOR

Voting Rationale

For – Item 8 – Report on Median Gender/Racial Pay Gap

The company is only partially aligned with our expectations on this topic, so we supported this proposal to signal our desire for improved disclosures regarding diversity-related goals and action plans. The company discloses sufficient information on compensation of employees by race and gender, but they do not disclose diversity-specific goals or plans for achieving those goals. Given the particular challenges that the technology industry faces with regards to pay equity and diversity, equity, and inclusion, we expect more fulsome disclosures on this topic.

For – Item 9 – Report on Civil Rights Audit

We supported this proposal to reiterate our request that the company strengthens its disclosures on its systematic, proactive approach to managing civil rights-related risks of its products and services. The company describes that it conducts a regular human rights risk assessment, and has identified discrimination as one of three material risks. However, there is not a clear articulation of what those discrimination-related risks are, and how the company proactively addresses them. Instead, the existing disclosure focuses on narrative based on individual [anecdotes](#) regarding how bias was disrupted in the creation of certain products, as well as statistics about [workforce diversity](#) and an overview of [philanthropic efforts](#) to advance racial equity. Given the company’s outsized impact on consumers, relevant risks and opportunities related to civil rights are especially material for Apple. From our engagements with Apple representatives, we understand that the company is involved in substantive efforts to address these risks. Investors would ultimately benefit from greater transparency regarding the specific civil rights-related risks of the company’s products and services, its plan to mitigate those risks, and the board’s oversight of that plan.

For – Item 10 – Report on Concealment Clauses

We appreciate the reputational and regulatory risks associated with using concealment clauses that do not contain a carveout for harassment and discrimination. Thus, we recognize Apple’s [commitment](#) to adding relevant language into its concealment clauses. However, we supported this proposal to signal our desire to see this change implemented swiftly and comprehensively, and to affirm our support of mechanism that enable employees to speak out about adverse work environments. This is an especially material concern for Apple shareholders given the #AppleToo movement and the lack of clarity around the company’s use of non-disclosure agreements.

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