



DIVISION OF  
CORPORATION FINANCE

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

December 21, 2017

Gene D. Levoff  
Apple Inc.  
glevoff@apple.com

Re: Apple Inc.  
Incoming letter dated October 9, 2017

Dear Mr. Levoff:

This letter is in response to your correspondence dated October 9, 2017 and November 21, 2017 concerning the shareholder proposal (the "Proposal") submitted to Apple Inc. (the "Company") by the National Center for Public Policy Research for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfm/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair  
Senior Special Counsel

Enclosure

cc: Justin Danhof  
National Center for Public Policy Research  
jdanhof@nationalcenter.org

December 21, 2017

**Response of the Office of Chief Counsel**  
**Division of Corporation Finance**

Re: Apple Inc.  
Incoming letter dated October 9, 2017

The Proposal requests that management review its policies related to human rights to assess areas where the Company needs to adopt and implement additional policies and to report its findings.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(11). We note that the Proposal is substantially duplicative of a previously submitted proposal that will be included in the Company's 2018 proxy materials. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(11). In reaching this position, we have not found it necessary to address the alternative basis for omission upon which the Company relies.

Sincerely,

Evan S. Jacobson  
Special Counsel

**DIVISION OF CORPORATION FINANCE**  
**INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS**

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.



**Rule 14a-8(i)(7)**  
**Rule 14a-8(i)(11)**

November 21, 2017

**VIA E-MAIL ([shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov))**

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

**Re:** Apple Inc.  
Shareholder Proposal of the National Center for Public Policy Research

Dear Ladies and Gentlemen:

I am writing on behalf of Apple Inc. to supplement my letter dated October 9, 2017 (the "**Initial Letter**") requesting that the staff not recommend enforcement action to the Commission if the Company omits the Proposal from its 2018 Proxy Materials in reliance on Rule 14a-8(i)(11). The Company is writing this letter to request the staff's concurrence that the Company may exclude the Proposal from the Company's 2018 Proxy Materials for the additional reason that the Proposal is excludable under Rule 14a-8(i)(7). For ease of reference, capitalized terms used in this letter have the same meaning ascribed to them in the Initial Letter.

### **BASES FOR EXCLUSION OF THE PROPOSAL**

**I. Rule 14a-8(i)(7) — The Proposal Relates to Matters of the Company's Ordinary Business**

*A. The Exclusion*

Rule 14a-8(i)(7) permits a company to exclude a proposal that "deals with a matter relating to the company's ordinary business operations." The purpose of the exception 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." See Securities Exchange Act Release No. 34-40018 (May 21, 1998) (the "**1998 Release**"). In the 1998 Release, the Commission explained that the ordinary business exclusion rests on two central considerations: first, 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"; and second, the degree to which the proposal attempts to "micromanage" a company by "probing too deeply into

Apple  
1 Infinite Loop  
Cupertino, CA 95014

T 408 996-1010  
F 408 996-0275  
[www.apple.com](http://www.apple.com)

matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”

As explained in the 1998 Release, under the first consideration, a proposal that raises matters that 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” may be excluded, unless the proposal raises policy issues that are sufficiently significant to transcend day-to-day business matters. On November 1, 2017, the Staff published Staff Legal Bulletin No. 14I (“**SLB No. 14I**”), which announced a new staff policy regarding the application of Rule 14a-8(i)(7). The staff stated in SLB No. 14I that the applicability of the significant policy exception “depends, in part, on the connection between the significant policy issue and the company’s business operations.” The staff noted further that whether a policy issue is of sufficient significance to a particular company to warrant exclusion of a proposal that touches upon that issue may involve a “difficult judgment call” which the company’s board of directors “is generally in a better position to determine,” at least in the first instance. A well-informed board, the staff said, exercising its fiduciary duty to oversee management and the strategic direction of the company, “is well situated to analyze, determine and explain whether a particular issue is sufficiently significant because the matter transcends ordinary business and would be appropriate for a shareholder vote.”

Where the board concludes that the proposal does not raise a policy issue that transcends the company’s ordinary business operations, the staff said, the company’s letter notifying the staff of the company’s intention to exclude the proposal should set forth the board’s analysis of “the particular policy issue raised and its significance” and describe the “processes employed by the board to ensure that its conclusions are well-informed and well-reasoned.” Consistent with the staff’s guidance, the discussion below reflects the analysis of the Company’s board of directors (the “**Board**”) as well as management’s and includes a description of the Board’s processes in conducting its analysis.

#### *B. Application of the Exclusion*

The Proposal requests that the Company review its policies related to human rights to assess whether the Company should adopt and implement additional policies and to report its findings. The Supporting Statement indicates that the Proposal is particularly concerned with whether the Company’s offering of products in China promotes freedom of expression in China, and with the Company’s association with certain advocacy groups.

The Company considers human rights, and the free exercise of those rights by everyone in the world, to be a matter of the utmost importance. The Company devotes substantial time and resources to safeguarding and upholding human rights. While the term “human rights” encompasses a broad range of rights to which all humans are entitled, and does not have a universally accepted definition, the rights set forth in the United Nations’ Universal Declaration on Human Rights are generally considered by the Company and the Board in assessing the impact of the Company’s policies and practices on human rights. Education, for example, is a fundamental human right, and the Company seeks to help assure that a quality education is or becomes accessible to all. In 2016, the Company partnered with its suppliers to train more than

2.4 million workers on their rights as employees. Its ConnectED program has helped create transformative learning environments in 114 underserved U.S. schools, reaching over 4,000 teachers and 50,000 students. The Apple Teacher program delivers free professional development for educators, and Everyone Can Code provides free materials to learn, write, and teach code.

Moreover, the Board and management firmly believe that human rights are an integral component of the Company's business operations. In fact, management memorializes this practice on its website by noting its belief that "We have a great responsibility to protect the rights of all the people in our supply chain, and to do everything we can to preserve our planet's fragile environment. That's why we obsess over every detail of how we build our products." The Company is committed to providing fair and safe working conditions, creating greater opportunities for workers, and transparently reporting on its efforts at every level of the supply chain. For example, the Company demands that all suppliers doing business with the Company affirmatively agree to adhere to our Supplier Code of Conduct and supporting standards. The Supplier Code of Conduct outlines the Company's standards for creating safer working conditions, treating workers fairly, and using environmentally responsible practices in our supply chain. The Code goes beyond mere compliance with the law. In 2016, the Company conducted 705 supply chain assessments on labor and human rights, health and safety, and environment, covering over 1.3 million workers in 30 countries. Every year, the requirements that the Company's suppliers must meet increase and our efforts to raise the bar continue.

The observance of human rights standards factors into every decision made by management in the day-to-day operations of the Company. Management is bound to protect and promote human rights in the ordinary course of business, based on laws applicable to its employment practices, its treatment of its customers, its environmental impact, and its business practices worldwide. These laws, and the Company's policies for promoting human rights well beyond the minimum required by law, protect the human rights of the Company's employees, customers, suppliers, and other business partners, as well as the citizens of the communities in which the Company does business. The Company's compliance with governmental laws and regulations, including laws and regulations concerning human rights, are a core management function, as are the Company's voluntary human rights programs. The Supporting Statement and introductory clauses in the Proposal discuss the Company's response to governmental regulation and orders in China. Management, with its specific knowledge of the Company's operations in China (as well as the other jurisdictions in which the Company does business), is best positioned to assess the specific requirements of such regulations, as well as to determine the Company's response to those requirements, with input from the Board where appropriate.

Well beyond these legal and regulatory requirements, management has undertaken, as part of the Company's day-to-day business, to promote and protect human rights in all of the countries and communities where its operations have an impact. In doing so, Apple has distinguished itself from its peers by making human rights a key management concern. The Company has a dedicated Vice President for Environment, Policy, and Social Initiatives, who reports directly to the CEO. The Vice President leads the Company's advocacy for government policies that protect individual privacy and civil rights. The Vice President of Environment,

Policy and Social Initiatives also drives the Company's work to make high-quality education more available to young people of diverse economic backgrounds, and to make high-technology products more accessible to people with disabilities. The Vice President also leads the Company's work to reduce its impact on climate change by using renewable energy sources and driving energy efficiency in its products and facilities. Appointing senior management to lead these initiatives and report directly to the CEO demonstrates that the issues are key concerns of management and are deeply embedded in the Company's day-to-day operations.

The Board and management are committed to upholding and promoting human rights. The Company's policies, practices, and deliberations regarding all aspects of the Company's business incorporate an in-depth review of the impact of the Company's policies, practices, and operations (including product offerings in China) on human rights. Therefore, the Proposal's request that the Company create review its human rights policies to determine whether they could be improved is redundant of what the Company and the Board already do. Accordingly, the Proposal does not raise a "significant policy issue" that transcends the Company's ordinary business. Review, improvement, and implementation of policies designed to protect and promote human rights are an integral part of ordinary business at Apple. For that reason, in the context of the Company's operations and existing policies and practices, including the Company's longstanding commitment to and active promotion and protection of human rights, the Board has analyzed the Proposal, considered its impact on the business and operations of the Company, and determined that the issues presented by the Proposal do not transcend the Company's ordinary business operations and therefore do not warrant a shareholder vote on the Proposal at the 2018 Annual Meeting of Shareholders.

### *C. Board Process*

The Board is regularly updated on the Company's business operations, including the Company's efforts to make substantial progress on its human rights goals. In reviewing the Proposal, the Board was presented with information prepared by management about the Proposal and its policy implications. The Company's Vice President of Environment, Policy and Social Initiatives met with the Board and reviewed the Company's efforts with respect to its human rights efforts. This discussion included a review of written materials, including the Company's Supplier Responsibility 2017 Progress Report. The Board undertook a thorough review of the Proposal, discussed the Proposal's implications for the Company's business and policies and came to a consensus that it had received sufficient information from management to make an informed decision about whether the Proposal raises a significant policy issue that transcends the Company's ordinary business.

The Board recognized that it had already considered the issues raised by the Proposal when setting the strategic direction of the Company and performing its duties as a Board. Additionally, the Board determined that senior executives' focus on reviewing, improving, and implementing policies designed to promote human rights make these matters an integral part of the ordinary business operations of the Company, and the issues presented in the Proposal as a whole fit squarely within the Company's ordinary business mission to safeguard and uphold human rights wherever it does business. The Board also considered the Company's existing

policies, practices, and disclosures and concluded that the Proposal, even if submitted to shareholders and approved, would not call for the Company to consider facts, issues or policies that the Company does not regularly consider in the course of its day-to-day operations, and therefore does not transcend the Company's ordinary business. The Board considered the fact that it, along with management, is regularly and actively involved in the consideration, oversight, and re-assessment of the Company's human rights policies.

Based on the foregoing, the Board concluded that the Proposal does not transcend the Company's ordinary business or its day-to-day operations. Accordingly, while the Board is pleased that the Proponent's general interest in the Company's human rights strategy is fully aligned with that of the Company, the Board does not believe that the Proposal requires a vote of shareholders at the 2018 Annual Meeting of Shareholders.

**II. Rule 14a-8(i)(11) — The Proposal Substantially Duplicates the Zhao Proposal and May Be Excluded if the Company Includes the Zhao Proposal in its 2018 Proxy Materials**

The Initial Letter stated that the Proposal also is excludable under Rule 14a-8(i)(11) because it substantially duplicates a shareholder proposal submitted by Jing Zhao (the "**Zhao Proposal**"). At the time of the submission of the Initial Letter, the Company planned to include the Zhao Proposal in its 2018 Proxy Materials. However, following publication of SLB No. 14I, the Company submitted a letter to the staff requesting the staff's concurrence that the Zhao Proposal may be excluded from the 2018 Proxy Materials under Rule 14a-8(i)(7). Accordingly, the Company's request for concurrence that it may exclude the Proposal under Rule 14a-8(i)(11) is contingent upon a staff decision that the Zhao Proposal may not be excluded in Rule 14a-8(i)(7) (as the Company would then include the Zhao Proposal in its 2018 Proxy Materials).

## CONCLUSION

For the reasons discussed above, the Company believes that it may omit the Proposal from its 2018 Proxy Materials in reliance on Rule 14a-8(i)(7). We respectfully request that the staff concur with the Company's view and confirm that it will not recommend enforcement action to the Commission if the Company excludes the Proposal from its 2018 Proxy Materials.

If you have any questions or need additional information, please feel free to contact me at (408) 974-6931 or by e-mail at [glevoff@apple.com](mailto:glevoff@apple.com).

Sincerely,



Gene D. Levoff  
Associate General Counsel,  
Corporate Law

### Attachments

cc: Justin Danhof, National Center for Public Policy Research  
Alan L. Dye, Hogan Lovells US LLP



**Rule 14a-8(i)(11)**

October 9, 2017

**VIA E-MAIL ([shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov))**

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

**Re:** Apple Inc.  
Shareholder Proposal of the National Center for Public Policy Research

Dear Ladies and Gentlemen:

Apple Inc., a California corporation (the “**Company**”), hereby requests confirmation that the staff of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the “**Commission**”) will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8(i)(11) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), the Company omits the enclosed shareholder proposal (the “**Proposal**”) and its accompanying supporting statement (the “**Supporting Statement**”) submitted by the National Center for Public Policy Research (the “**Proponent**”) from the Company’s proxy materials for its 2018 Annual Meeting of Shareholders (the “**2018 Proxy Materials**”), on the grounds that the Proposal is substantially duplicative of a proposal previously submitted to the Company by Jing Zhao (the “**Zhao Proposal**”).

A copy of the Proposal, together with other correspondence relating to the Proposal, is attached hereto as Exhibit A. A copy of the Zhao Proposal, together with related correspondence received from Mr. Zhao, is attached hereto as Exhibit B.

In accordance with Staff Legal Bulletin No. 14D (November 7, 2008) (“**SLB No. 14D**”), this submission is being delivered by e-mail to [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov). Pursuant to Rule 14a-8(j), a copy of this submission also is being sent to the Proponent. Rule 14a-8(k) and SLB No. 14D provide that a shareholder proponent is required to send the company a copy of any correspondence which the proponent elects to submit to the Commission or the staff. Accordingly, we hereby inform the Proponent that, if the Proponent elects to submit additional correspondence to the Commission or the staff relating to the Proposal, the Proponent should concurrently furnish a copy of that correspondence to the undersigned.

Pursuant to the guidance provided in Section F of Staff Legal Bulletin 14F (October 18, 2011), we ask that the staff provide its response to this request to the undersigned via e-mail at the address noted in the last paragraph of this letter.

Apple  
1 Infinite Loop  
Cupertino, CA 95014

T 408 996-1010  
F 408 996-0275  
[www.apple.com](http://www.apple.com)

The Company intends to file its definitive 2018 Proxy Materials with the Commission more than 80 days after the date of this letter.

## THE PROPOSALS

### **The Proposal**

On September 7, 2017, the Company received from the Proponent, as an attachment to an e-mail, a letter submitting the Proposal for inclusion in the Company's 2018 Proxy Materials. The Proposal reads as follows:

Resolved: Shareholders request management review its policies related to human rights to assess areas where the company needs to adopt and implement additional policies and to report its findings, omitting proprietary information and prepared at reasonable expense, by December 2018.

### **The Zhao Proposal**

On August 22, 2017, the Company received the Zhao Proposal, which reads as follows:

Resolved: shareholders recommend that Apple Inc. establish a Human Rights Committee to review, assess, disclose, and make recommendations to enhance Apple's policy and practice on human rights. The board of directors is recommended, in its discretion and consistent with applicable laws to: (1) adopt Apple Human Rights Principles, (2) designate the members of the committee, including outside independent human rights experts as advisors, (3) provide the committee with sufficient funds for operating expenses, (4) adopt a charter to specify the functions of the committee, (5) empower the committee to solicit public input and to issue periodic reports to shareholders and the public on the committee's activities, findings and recommendations, and (6) adopt any other measures.

## BASIS FOR EXCLUSION OF THE PROPOSAL

### **I. Rule 14a-8(i)(11) – The Proposal Substantially Duplicates the Zhao Proposal and May Be Excluded if the Company Includes the Zhao Proposal in its 2018 Proxy Materials**

Rule 14a-8(i)(11) permits a company to exclude a proposal if it substantially duplicates a proposal previously submitted by another proponent that will be included in the company's proxy materials. The Commission's stated purpose for this exclusion is to "eliminate the possibility of shareholders having to consider two or more substantially identical proposals submitted to an issuer by proponents acting independent of each other." *Exchange Act Release No. 12999* (November 22, 1976).

When a company receives two substantially duplicative proposals, the staff has indicated that the company must include in its proxy materials the proposal the company received first (assuming the proposal is not excludable for other reasons) and may exclude the second proposal. See *Great Lakes Chemical Corp.* (March 2, 1998); see also *Atlantic Richfield Co.* (January 11, 1982). If the Company includes the Zhao Proposal in its 2018 Proxy Materials, the Company may exclude the Proposal in reliance on Rule 14a-8(i)(11) because the Zhao Proposal was received prior to the Company's receipt of the Proposal.

Rule 14a-8(i)(11) does not require shareholder proposals to be identical to warrant exclusion. The test applied to determine whether a proposal substantially duplicates a previously received proposal is whether the proposals present the same core issues, or the same "principal thrust" or "principal focus." See, e.g., *Exxon Mobil Corp.* (March 19, 2010); *General Electric Co.* (December 30, 2009); *The Procter & Gamble Co.* (July 21, 2009); *Pacific Gas & Electric Co.* (February 1, 1993).

Proposals that address the same subject matter and have the same thrust and focus are substantially duplicative even if they call for different actions. See, e.g., *Chevron Corp.* (March 23, 2009, recon. denied April 6, 2009) (concurring that a proposal requesting that an independent committee prepare a report on the environmental damage that would result from the company's expanding oil sands operations in the Canadian boreal forest was substantially duplicative of a proposal to adopt goals for reducing total greenhouse gas emissions from the company's products and operations); *Union Pacific Corp.* (February 1, 2012, recon. denied Mar. 30, 2012) (concurring that a proposal requesting a report on political contributions and expenditures was substantially duplicative of a proposal requesting a report on lobbying and grassroots lobbying); *Wells Fargo & Co.* (February 8, 2011) (concurring that a proposal seeking a review and report on internal controls related to loan modifications, foreclosures and securitizations was substantially duplicative of a proposal requesting a report on the company's residential mortgage loss mitigation policies and outcomes).

A proposal also may be excluded as substantially duplicative of another proposal where one proposal is more expansive in its requested actions than the other. See, e.g., *Bank of America Corp.* (February 24, 2009) (allowing exclusion of a proposal requesting adoption of a 75% hold-to-retirement policy as subsumed by another proposal that included such a policy as one of many requests).

In this case, the Proposal and the Zhao Proposal actually request precisely the same action—an assessment of the Company's human rights policies to determine whether they should be changed. Specifically, the Proposal requests that management "review its policies related to human rights to assess areas where the company needs to adopt and implement additional policies." Similarly, the Zhao Proposal requests that the Company "establish a Human Rights Committee to review, assess, disclose, and make recommendations to enhance Apple's policy and practice on human rights." Because the proposals call for the same action, they clearly have the same principal thrust and focus. The staff has previously deemed proposals requesting a human rights policy assessment to be substantially duplicative where the

proposals were far less similar than are the Proposal and the Zhao Proposal. In *Cooper Industries* (January 17, 2006), the staff determined that a proposal requesting that the company “review its policies related to human rights to assess areas where the company needs to adopt and implement additional policies and report its findings” (similar to the Proposal) was substantially duplicative of an earlier submitted proposal requesting that the company “commit itself to the implementation of a code of conduct based on” identified, internationally-recognized human rights standards.

Unlike the Proposal, the Zhao Proposal expands on its request for an assessment of the Company’s human rights policies by recommending that the Company establish, fund and empower a Human Rights Committee and that the Company’s board of directors adopt “Apple Human Rights Principles.” These additional recommendations do not change the principal focus and thrust of the Zhao Proposal. Instead, the additional language merely recommends a process for conducting the requested “assessment” and gives a name to the requested “enhanced” policies by designating them the Apple Human Rights Principles. As noted above, in *Cooper Industries*, one of the proposals (like the Proposal) merely requested an assessment of the company’s human rights policies, while the other proposal (like the Zhao Proposal) requested, in addition to an assessment, that the board adopt specific principles and adopt a “process” which involved independent monitoring of the company’s compliance. The staff nevertheless concluded, appropriately, that the proposals were substantially duplicative because they shared a principal focus—assessing and reporting on the company’s human rights policies.

Whether the human rights assessment requested by the Proposal and the Zhao Proposal is undertaken by management or the board of directors, and whether the Company’s human rights policies are embodied in a document styled “Apple Human Rights Principles” or not, the two proposals seek exactly the same objective—a top-level review of the Company’s human rights policies and the issuance to shareholders of a report on the results of that review. Moreover, the supporting statements in both proposals indicate that the proposals are motivated by the same concerns—the Company’s alleged cooperation with the Chinese government in “censoring” the Internet in China. In its introductory clauses, the Proposal states that the Company’s operations in China “reduce[] freedom of speech and association for Chinese citizens.” Similarly, the supporting statement in the Zhao Proposal cites several news articles covering stories related to Chinese censorship and the Company’s operations.

The two proposals are so similar that inclusion of both in the 2018 Proxy Materials would cause shareholders to have to consider two substantially identical proposals, contrary to one of the stated purposes of Rule 14a-8(i)(11). See *Exchange Act Release No. 12999* (November 22, 1976). For this reason, as well as the other reasons discussed above, the two proposals are substantially duplicative of one another, and the Proposal is excludable under Rule 14a-8(i)(11).

## CONCLUSION

For the reasons discussed above, the Company believes that it may omit the Proposal from its 2018 Proxy Materials in reliance on Rule 14a-8(i)(11). We respectfully request that the staff concur with the Company's view and confirm that it will not recommend enforcement action to the Commission if the Company excludes the Proposal from its 2018 Proxy Materials.

If you have any questions or need additional information, please feel free to contact me at (408) 974-6931 or by e-mail at [glevoff@apple.com](mailto:glevoff@apple.com).

Sincerely,



Gene D. Levoff  
Associate General Counsel,  
Corporate Law

### Attachments

cc: Justin Danhof, National Center for Public Policy Research  
Alan L. Dye, Hogan Lovells US LLP

**Exhibit A**

**Copy of the Proposal and Supporting Statement and Related Correspondence**



Via FedEx and Email (shareholderproposal@apple.com)

September 7, 2017

Mr. Bruce Sewell, Corporate secretary  
Apple Inc.  
1 Infinite Loop  
MS: 301-4GC  
Cupertino, California 95014

Dear Mr. Sewell,

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the Apple Inc. (the "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 United States Securities and Exchange Commission's proxy regulations.

I submit the Proposal as General Counsel of the National Center for Public Policy Research, which has continuously owned Apple Inc. stock with a value exceeding \$2,000 for a year prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company's 2018 annual meeting of shareholders. A Proof of Ownership letter is forthcoming and will be delivered to the Company.

Copies of correspondence or a request for a "no-action" letter should be forwarded to Justin Danhof, Esq, General Counsel, National Center For Public Policy Research, 20 F Street, NW, Suite 700, Washington, DC 20001 and emailed to JDanhof@nationalcenter.org.

Sincerely,

A handwritten signature in blue ink that reads "Justin Danhof". The signature is fluid and cursive, with a long horizontal stroke at the end.

Justin Danhof, Esq.

Enclosure: Shareholder Proposal

## **Human Rights Review**

**Whereas**, the Securities and Exchange Commission has consistently recognized that human rights constitute a significant policy issue.

Freedom of speech and freedom of association are fundamental human rights.

The company operates in regions with systematic human rights abuses. The company has itself engaged in human rights abuses by assisting certain government and non-government actors in reducing freedom of speech and association.

For example, the company recently assisted the Chinese government in censoring large portions of the Internet in China. This reduces freedom of speech and association for Chinese citizens.

The company is also affiliated with the Southern Poverty Law Center and Human Rights Campaign. These groups target policy rivals with dishonest disassociation campaigns.

The company is also using its Apple Pay platform to censor certain groups.

## **Resolved**

Shareholders request management review its policies related to human rights to assess areas where the company needs to adopt and implement additional policies and to report its findings, omitting proprietary information and prepared at reasonable expense, by December 2018.

## **Supporting Statement**

In its report, the company might consider a congruency analysis between its stated corporate values and its actions and state the justification for such exceptions.

While the company assists the Chinese government in censoring the free speech of its citizens, it has resisted information requests from the Federal Bureau of Investigation domestically citing free speech rights.

Furthermore, the company is affiliated with the Southern Poverty Law Center and the Human Rights Campaign – groups that advance disassociation efforts.

A *New York Times* article criticized the company's involvement with SLPC noting: "If Tim Cook ... had done [his] due diligence, [he] would know that the S.P.L.C. is an organization that has lost its way, smearing people who are fighting for liberty."

SPLC, for example, considers belief in traditional marriage and support for Muslim civil rights to be hatred on par with the beliefs of the Ku Klux Klan.

Apple's close relationship with SPLC is troubling since it is now censoring certain websites from its Apple Pay services. While websites promoting bigotry are deplorable, the company's censorship is troubling since it is subjective and ill-defined. The company's guidelines for Apple Pay simply forbid the service's incorporation into sites promoting hate, intolerance and violence.

Shareholders are concerned that this partnership with SPLC and its assistance in authoritarian efforts may result in the company blacklisting certain faith-based organizations, Muslim civil rights groups and conservative non-profits. Recall that the NAACP once faced censorship, and many Americans consider the Black Lives Matter movement to be a hate group.

After recently removing protection for a group's website, Cloudflare CEO Matt Prince warned such subjective power is a potential slippery slope, noting, "I woke up in a bad mood and decided someone shouldn't be allowed on the Internet. No one should have that power."

Shareholders are concerned with the company's authoritarian censorship tendencies and associations. The requested report will elucidate how the company balances those concerns with its commitments to human rights.



Via FedEx and Email (shareholderproposal@apple.com)

September 19, 2017

Mr. Bruce Sewell, Corporate secretary  
Apple Inc.  
1 Infinite Loop  
MS: 301-4GC  
Cupertino, California 95014

Dear Mr. Sewell,

Enclosed please find a Proof of Ownership letter from UBS Financial Services Inc. in connection with the shareholder proposal submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations by the National Center for Public Policy Research to Apple Inc. on September 7, 2017.

Copies of correspondence or a request for a "no-action" letter should be forwarded to Justin Danhof, Esq, General Counsel, National Center for Public Policy Research, 20 F Street, NW, Suite 700, Washington, DC 20001 and emailed to JDanhof@nationalcenter.org.

Sincerely,  
  
Justin Danhof, Esq.

Enclosure: Ownership Letter



UBS Financial Services Inc.  
1501 K Street NW, Suite 1100  
Washington, DC 20005  
Tel. 855-594-1054  
<http://www.ubs.com/team/cfsgroup>

CFS Group

Anthony Connor  
Senior Vice President – Wealth Management  
Portfolio Management Program

Bryon Fusini  
Senior Vice President – Wealth Management  
Financial Advisor

Richard Stein  
Senior Wealth Strategy Associate

Dianne Scott  
Sr. Registered Client Service Associate

[www.ubs.com](http://www.ubs.com)

Mr. Bruce Sewell, Corporate secretary  
Apple Inc.  
1 Infinite Loop  
MS: 301-4GC  
Cupertino, California 95014

September 19, 2017

## Confirmation: Information regarding the account of The National Center for Public Policy Research

Dear Mr. Sewell,

The following client has requested UBS Financial Services Inc. to provide you with a letter of reference to confirm its banking relationship with our firm.

The National Center for Public Policy Research has been a valued client of ours since October 2002 and as of the close of business on 09/07/2017, the National Center for Public Research held, and has held continuously for at least one year 40 shares of the Apple Inc. common stock. UBS continues to hold the said stock.

Please be aware this account is a securities account not a "bank" account. Securities, mutual funds and other non-deposit investment products are not FDIC-insured or bank guaranteed and are subject to market fluctuation.

### Questions

If you have any questions about this information, please contact Dianne Scott at (202) 585-5412.

UBS Financial Services is a member firm of the Securities Investor Protection Corporation (SIPC).

Sincerely,

Dianne Scott  
UBS Financial Services Inc.

cc: Justin Danhof, Esq., National Center for Public Policy Research

**Exhibit B**

**Copy of the Zhao Proposal and Supporting Statement and Related  
Correspondence**

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August 22, 2017

Secretary

Apple Inc.

1 Infinite Loop, MS: 301-4GC

Cupertino, California 95014

(via post mail & email [shareholderproposal@apple.com](mailto:shareholderproposal@apple.com))

Re: Shareholder Proposal to 2018 Shareholders Meeting

Dear Secretary:

Enclosed please find my shareholder proposal for inclusion in our proxy materials for the 2018 annual meeting of shareholders and a letter of my shares ownership. I will continuously hold these shares until the 2018 annual meeting of shareholders.

Should you have any questions, please contact me at \*\*\* or

\*\*\*

Yours truly,



Jing Zhao

Enclosure: Shareholder proposal

Shares ownership letter

## **Shareholder Proposal on Human Rights Committee**

Resolved: shareholders recommend that Apple Inc. establish a Human Rights Committee to review, assess, disclose, and make recommendations to enhance Apple's policy and practice on human rights. The board of directors is recommended, in its discretion and consistent with applicable laws to: (1) adopt Apple Human Rights Principles, (2) designate the members of the committee, including outside independent human rights experts as advisors, (3) provide the committee with sufficient funds for operating expenses, (4) adopt a charter to specify the functions of the committee, (5) empower the committee to solicit public input and to issue periodic reports to shareholders and the public on the committee's activities, findings and recommendations, and (6) adopt any other measures.

### **Supporting Statement**

There have been too many negative reports on Apple's human rights policy and practice, mostly related to Apple's operation in China for many years. For example, recently, the New York Times reported "Apple Removes Apps From China Store That Help Internet Users Evade Censorship" on July 29, 2017; the Wall Street Journal reported "Get Used to Apple Bowing Down to Chinese Censors" on August 7, 2017. Furthermore, Apple is building its first China-based data center, and "the new agreement goes one step further with a Chinese partner responsible for running its data center, managing the sales of its services in the country and handling legal requests for data from the government." (New York Times, July 12, 2017)

On human rights policy and practice, we have the best case (see my proposal to Google 2010 shareholders meeting) and the worst case (see my proposals to Yahoo 2011 and 2013 shareholders meetings, to Verizon 2017 shareholders meeting and to Yahoo/Altaba 2017 shareholders meeting

<http://cpri.tripod.com/cpr2017/altaba-statement.pdf> on the abuses of the so-called "Yahoo Human Rights Fund" against human rights) here in Silicon Valley. Apple should not fail as Yahoo.