



DIVISION OF
CORPORATION FINANCE

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

March 25, 2025

Douglas K. Schnell
Wilson Sonsini Goodrich & Rosati

Re: Align Technology, Inc. (the "Company")
Incoming letter dated March 24, 2025

Dear Douglas K. Schnell:

This letter is in regard to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Friends Fiduciary Corporation (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponent has withdrawn the Proposal and that the Company therefore withdraws its February 24, 2025 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Amy Carr
Friends Fiduciary Corporation

DOUGLAS K. SCHNELL
Internet: dschnell@wsgr.com
Direct dial: (650) 849-3275

Client File No.: 22733.053

February 24, 2025

BY ONLINE SUBMISSION FORM

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

**Re: Shareholder Proposal of Friends Fiduciary Corporation Submitted to
Align Technology, Inc.**

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended, we are writing on behalf of our client, Align Technology, Inc., a Delaware corporation (the “Company”), to request that the Staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) concur with the Company’s view that, for the reasons stated below, it may exclude the shareholder proposal and supporting statement (together, the “Proposal”) submitted by Friends Fiduciary Corporation (the “Proponent”) from the proxy materials (the “2025 Proxy Materials”) to be distributed by the Company in connection with its 2025 Annual Meeting of Shareholders (the “2025 Annual Meeting”).

This letter is being delivered to the Staff through its online shareholder proposal form. Simultaneously, pursuant to Rule 14a-8(j), the Company is emailing a copy of this letter to the Proponent as notice of the Company’s intention to exclude the Proposal from the 2025 Proxy Materials. The Company will promptly forward to the Proponent any response from the Staff to this no-action request that the Staff transmits only to the Company.

Rule 14a-8(k) and Section E of Staff Legal Bulletin No. 14D (Nov. 7, 2008) provide that shareholder proponents are required to send companies a copy of any correspondence that they elect to submit to the Staff or the Commission. Accordingly, the Company is taking this opportunity to remind the Proponent that if it submits correspondence to the Staff or the Commission with respect to the Proposal, a copy of that correspondence should concurrently be furnished to the undersigned on behalf of the Company.

The Company is submitting this letter in accordance with Section I of Staff Legal Bulletin No. 14M (Feb. 12, 2025) (“SLB 14M”), which states that the Staff will consider the publication of SLB 14M to be “good cause” under Rule 14a-8(j) if SLB 14M relates to legal arguments made in the no-action request. Under Rule 14a-8(j), the Staff may permit a company to submit its no-action request within 80 days before the company files its definitive proxy statement and form of proxy if the company demonstrates good cause for missing the deadline. The Company advises the Staff that it expects to release the 2025 Proxy Materials to print, and to commence mailing, on April 8, 2025.

1. The Proposal

The text of the resolution contained in the Proposal is set forth below:

RESOLVED: Shareholders request that Align Technology, Inc. (“Align Technology”) report to shareholders on the effectiveness of the Company’s diversity, equity, and inclusion efforts. The report should be done at reasonable expense, exclude proprietary information, and provide transparency on outcomes, using quantitative metrics, for hiring, retention, and promotion of employees, including data by gender, race, and ethnicity.

A copy of the Proposal, and the related correspondence from the Proponent, is attached as Exhibit A.

2. Bases for Exclusion

The Company requests that the Staff concur in its view that it may exclude the Proposal from the 2025 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal relates to the Company’s ordinary business operations and seeks to micromanage the Company.

3. Analysis

(a) Background on the Ordinary Business Exclusion

As the Staff is aware, 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.” Exchange Act Release No. 40018 (May 21, 1998) (the “1998 Release”). 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.” *Id.* 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.” Further, the Commission identified two central considerations that underlie this policy. The first consideration 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." The 1998 Release specifically mentions "*management of the workforce*, such as the hiring, promotion, and termination of employees" (emphasis added) as an example of such tasks. The second consideration is "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id.* (citing Exchange Act Release No. 12999 (Nov. 22, 1976)).

In interpreting Rule 14a-8(i)(7), the Commission has determined that proposals that relate to ordinary business matters may not be excludable under the first consideration if the proposals "transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." 1998 Release. This is often referred to as the "significant policy exception." Consistent with the Commission's statements, in Section A of SLB 14M, the Staff noted its "view that a 'case-by-case' consideration of a particular company's facts and circumstances is a key factor in the analysis of shareholder proposals that raise significant policy issues." Section A of SLB 14M further provides that the Staff "will consider whether a proposal ... focuses on a significant policy issue that has a sufficient nexus to a particular company, in the case of Rule 14a-8(i)(7)."

With respect to the micromanagement consideration of Rule 14a-8(i)(7), the 1998 Release states that "[t]his consideration may come into play in a number of circumstances, such as where the proposal involves *intricate detail*, or seeks to impose specific ... methods for implementing complex policies" (emphasis added). In Section C.2. of Staff Legal Bulletin No. 14J (Oct. 23, 2018) ("SLB 14J"), the Staff stated that this framework also applies to proposals that call for a study or report; the Staff noted that "a proposal that seeks an *intricately detailed study or report* may be excluded on micromanagement grounds" (emphasis added) and the Staff "would, consistent with Commission guidance, consider the underlying substance of the matters addressed by the study or report." In assessing whether a proposal micromanages by seeking to impose specific methods for implementing complex policies, the Staff evaluates not just the wording of the proposal but also the action called for by the proposal and the manner in which the action called for would affect a company's activities and management discretion. *See* The Coca-Cola Co. (avail. Feb. 16, 2022) (concurring with the exclusion of a proposal requesting that the company first submit to shareholders any proposed political statement prior to issuing the statement publicly, where the company argued that the proposal micromanages the company by impermissibly limiting management discretion in what statements to issue to the public); *see also* Deere & Co. (avail. Jan. 3, 2022) (concurring with the exclusion of a proposal requesting the annual publishing of employee training materials, with the Staff noting that this micromanages the company by probing too deeply into matters of a complex nature by seeking disclosure of intricate details regarding the company's employment and training practices).

Finally, 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 (Jun. 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 framed in the form of a request for a report does not change the nature of the proposal. The Commission has also 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); *see also* 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)”); 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).

(b) *The Proposal Relates to the Company’s Ordinary Business Operations—the Management of its Workforce—and is Excludable*

The Proposal seeks a “report on the effectiveness of the Company’s diversity, equity, and inclusion efforts ... using quantitative metrics, for hiring, retention, and promotion of employees, including data by gender, race, and ethnicity.” Under the guise of this report, the Proposal’s actual focus is on the way that the Company hires, retains and promotes its employees, all of which are core components of managing a large, global workforce on a day-to-day basis. In short, the Proposal seeks to intrude impermissibly on management’s day-to-day operation of the Company.

The Commission and Staff have long held that a shareholder proposal may be excluded under Rule 14a-8(i)(7) if it, like the Proposal, relates to management of a company’s workforce. The Commission recognized in the 1998 Release that “management of the workforce” is “*fundamental to management’s ability to run a company on a day-to-day basis*” (emphasis added). In United Technologies Corp. (avail. Feb. 19, 1993), the Staff provided the following examples of topics that involve a company’s ordinary business and thus make a proposal excludable under Rule 14a-8(i)(7): “employee health benefits, general compensation issues not focused on senior executives, *management of the workplace*, employee supervision, labor-management relations, *employee hiring and firing*, *conditions of the employment and employee training and motivation*” (emphasis added).

Consistent with the 1998 Release and in accordance with longstanding precedent, the Staff has recognized that a wide variety of proposals pertaining to the management of a company’s workforce are excludable under Rule 14a-8(i)(7). For example, in Amazon.com, Inc. (avail. Apr. 8, 2022), the Staff concurred with the exclusion of a proposal requesting a report regarding workforce turnover rates and the effects of labor market changes resulting from the COVID-19 pandemic, including the impact of the company’s workforce turnover on the company’s diversity, equity and inclusion, noting that the proposal relates to “ordinary business matters and does not focus on significant social policy issues.” *See also* PG&E Corp. (avail. Mar. 7, 2016) (concurring with the exclusion of a proposal requesting that the board institute a policy banning discrimination based on race, religion, donations, gender or sexual orientation in hiring vendor contracts or customer relations); Merck & Co., Inc. (avail. Mar. 6, 2015) (concurring with the exclusion of a proposal requesting “that the company fill only entry-level positions with

outside candidates and re-introduce its original policy of developing individuals for its higher level research and management positions exclusively from the ranks of its [current] employees” because “the proposal relates to procedures for hiring and promoting employees”); The Walt Disney Company (avail. Nov. 24, 2014, recon. denied Jan. 5, 2015) and Deere & Company (avail. Nov. 14, 2014) (in each case concurring with the exclusion of a proposal that requested the companies’ boards of directors adopt anti-discrimination policies that protect employees’ human rights, noting in each case “that the proposal relates to [the company’s] policies concerning its employees”); Starwood Hotels & Resorts Worldwide, Inc. (avail. Feb. 14, 2012) (concurring with the exclusion of a proposal requesting verification and documentation of U.S. citizenship for the company’s U.S. workforce and requiring training for foreign workers in the U.S. to be minimized because it “relates to procedures for hiring and training employees” and “[p]roposals concerning a company’s management of its workforce are generally excludable under Rule 14a-8(i)(7)”; Consolidated Edison, Inc. (avail. Feb. 24, 2005) (concurring with the exclusion of a proposal requesting the termination of certain employees because it related to “the termination, hiring, or promotion of employees”); Sprint Corporation (avail. Jan. 28, 2004) (concurring with the exclusion of a proposal requesting a report on “the impact on the [c]ompany’s recruitment and retention of employees due to the [c]ompany’s changes to retiree health care and life insurance coverage”).

The Proposal directly addresses the Company’s management of its employees by requesting the preparation of a report on “the effectiveness of the Company’s diversity, equity, and inclusion efforts ... *using quantitative metrics*, for hiring, retention, and promotion of employees, including data by gender, race, and ethnicity” (emphasis added). The Company’s decisions with respect to its hiring, retention and promotion of employees, how it publicly reports on the management of its workforce, and the public disclosures that it provides about hiring, retaining and promoting its employees are each fundamental to the management of the Company’s business and inherently implicate the day-to-day operation of the Company; indeed, there is no more “ordinary business” matter than these. These are not the type of matters that should, as a practical matter, be subject to direct shareholder oversight. In addition, as a highly regulated and global organization, the Company’s policies and practices with respect to the management of its workforce are multifaceted, complex, and based on a range of factors, including the Company’s strategic goals, compliance with local laws and practices, and the need to incentivize and retain talent. The Company does not manage its workforce based solely on the type of “quantitative metrics” requested by the Proposal. The disclosure of any such metrics would be inherently misleading, and such disclosure would not provide shareholders with a complete picture of the Company’s employee engagement efforts.

With respect to whether the Proposal addresses a significant policy issue such that it might be subject to the significant policy exception, the Proposal is stylized as an attempt to evaluate the Company’s diversity, equity and inclusion efforts. However, the central focus of the Proposal—as is immediately obvious when the Proposal and the supporting statement are read together—is obligating the Company to provide public disclosure so that shareholders—who lack all context on the rationale for the Company’s workforce decisions—can judge the Company’s management of its workforce. In the light of this, the Company respectfully urges the Staff not to view the Proposal as transcending the day-to-day business matters of the Company. As the

Commission and the Staff have made clear, whether the significant policy exception applies depends on the particular policy issue raised by the proposal and the significance of the issue *in relation to the company*. The Company's facts and circumstances make the Company particularly ill-suited to the formulaic report requested by the Proposal. The Company is a global medical device company with operations in numerous locations around the globe; only approximately nine percent of the Company's workforce is located in the United States. This extensive international presence necessarily means that the Company's diversity, equity and inclusion initiatives vary based on local laws and practices and must be adapted in connection with the overall needs of the business and the Company's local workforces. Indeed, in certain countries where the Company operates, even collecting employee information by gender, race or ethnicity is prohibited. Given the geographic diversity of the Company's workforce, the quantitative data requested by the Proposal (such as EEO-1 data, *which generally only considers employees located in the United States*) would not provide an accurate view of either the composition of the Company's global workforce or its performance- and merit-based hiring and retention practices. None of this nuance could be accurately captured in a report. Additionally, the Company notes the significant shift in perspectives in respect of the matters contemplated by the Proposal. In that regard, numerous organizations have reduced their focus on a company's diversity, equity and inclusion initiatives in recognition that these matters are inherently subjective and company specific.

Even when a proposal references a significant policy issue, the proposal may be excluded when it focuses on ordinary business matters. The Proposal seeks the disclosure of data about hiring, retaining, and promoting employees, each of which are core functions of management's day-to-day operations, and should not be subject to direct shareholder oversight. The Staff has concurred with exclusion of similar proposals. For example, in *Moody's Corp* (avail. Feb. 23, 2021, oral response), the Staff concurred with exclusion of a proposal requesting that Moody's disclose on its website its annual EEO-1 report. In requesting the Staff's concurrence with excluding the proposal under Rule 14a-8(i)(7), Moody's noted that "decisions with respect to how it reports to investors on the management of its workforce and what disclosures it provides to attract, retain, and engage with its employees, are fundamental to the management of [Moody's] business and inherently implicate the day-to-day operation of [Moody's]" and that such "decisions are multifaceted, complex, and based on factors beyond the knowledge and expertise of shareholders." Here, the Proposal seeks detailed data regarding hiring, retention, and promotion of employees by race, gender and ethnicity, with the supporting statement noting that the Company has not disclosed its EEO-1 report and stating that investors are unable to assess a human capital management program without this data. It is clear that the fundamental goal of the Proposal, similar to the proposal that was excludable by Moody's, is disclosure of data pertaining to the Company's management of its workforce. These are ordinary business matters.

The Company submits that any reference to a significant policy issue in a shareholder proposal should not automatically mean that the proposal transcends the ordinary business operations of the company. Indeed, the Company focuses its human capital management strategy, policies and practices on merit- and performance-based criteria, not racial, gender and ethnic considerations. In addition, the Company submits that the issues that companies face

regarding their employees are inherently company specific and differ greatly depending on factors such as industry, geography and workforce composition. Neither the Proposal nor the supporting statement explain how diversity, equity and inclusion are significant policy issues for the Company. Rather, the focus is solely on enabling shareholders to “assess and compare the *effectiveness of the Company’s* diversity, equity, and inclusion programs” (emphasis added). Stated differently, rather than raising a significant policy issue, the Proposal seeks detailed workforce data to allow shareholders—who, again, lack all context on the rationale for the Company’s workforce decisions—to “assess” the “effectiveness” of the Company’s workforce programs—which programs (and the underlying rationale for them) are inherently within the day-to-day operations of the Company and management. *See* Apple, Inc. (avail. Dec. 20, 2019, recon. denied Jan. 17, 2020) (concurring with the exclusion of a proposal requesting a report detailing the potential risks associated with omitting “viewpoint” and “ideology” from the company’s written equal employment opportunity policy as not transcending the company’s ordinary business operations).

The Company acknowledges the Staff’s response to Eli Lilly and Company (avail. Mar. 10, 2023), in which the Staff declined to concur with exclusion of a proposal similar to the Proposal. In light of the clarification of the Staff’s views found in SLB 14M in respect of the interpretation and application of the Commission’s statements regarding Rule 14a-8(i)(7), the Company does not believe that the decision in that letter should be dispositive in this instance.

(c) *The Proposal Seeks to Micromanage the Company and is Excludable*

In addition to intruding on the Company’s ordinary business matters, the Proposal seeks to micromanage the Company’s management of its workforce. Section C.2. of SLB 14J explains that the Commission and the Staff have long held that proposals that seek impermissibly to micromanage the company “by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment” are excludable under Rule 14a-8(i)(7), even in circumstances where the proposal does not address an ordinary business matter or is found to address a significant social policy issue. *See* Staff Legal Bulletin No. 14E (Oct. 27, 2009), at note 8, citing the 1998 Release for the standard that “a proposal [that raises a significant policy issue] could be excluded under Rule 14a-8(i)(7), however, if it seeks to micro-manage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” To that end, the Staff “look[s] to whether the proposal seeks *intricate detail* or imposes a specific strategy, method, action, outcome or timeline for addressing an issue, thereby supplanting the judgment of management and the board.” Staff Legal Bulletin No. 14K (Oct. 16, 2019) (“SLB 14K”), Section B.4. (emphasis added). Further, in assessing whether a proposal seeks to micromanage a company’s ordinary business operations, the Staff evaluates not just the wording of the proposal but also the action called for by the proposal and the manner in which the action would affect a company’s activities and management discretion. *See* SLB 14J, Section C.2. . The Staff has also repeatedly confirmed that this framework applies to proposals that call for a study or report. *Id.* (citing Exchange Act Release No. 34-20091 (Aug. 16, 1983)). For example, in Wal-Mart Stores, Inc. (avail. Apr. 10, 1991), the Staff concurred with the exclusion of a proposal seeking a report on the racial and gender composition of the company’s

workforce, affirmative action program and other similar programs, noting that the proposal involved a request for “detailed information on the composition of the [c]ompany’s work force, employment practices and policies.” *See also* Delta Air Lines, Inc. (avail. Apr. 24, 2024) (concurring with the exclusion of a proposal requiring a report regarding “union suppression expenditures,” including internal and external expenses); Paramount Global (National Center for Public Policy Research) (avail. Apr. 19, 2024) (concurring with the exclusion of a proposal requesting disclosure of the recipients of corporate charitable contributions of \$5,000 or more); Walmart Inc. (Green Century Capital Management) (avail. Apr. 18, 2024) (concurring with the exclusion of a proposal requiring a breakdown of greenhouse gas emissions for different categories of products in a manner inconsistent with existing reporting frameworks); Amazon.com, Inc. (avail. Apr. 1, 2024) (concurring with the exclusion of proposal calling for a highly detailed living wage report); Amazon.com, Inc. (avail. Apr. 7, 2023, recon. denied Apr. 20, 2023) (concurring with the exclusion of proposal requesting that the company measure and disclose scope 3 greenhouse gas emissions from the company’s full value chain by imposing a specific method for implementing a complex policy without affording discretion to management); Phillips 66 (avail. Mar. 20, 2023) (concurring with the exclusion of a proposal requesting an audited report describing the undiscounted expected value to settle obligations for the company’s asset retirement obligations with indeterminate settlement dates); Valero Energy Corporation (avail. Mar. 20, 2023) (same).

The Proposal seeks to micromanage the Company by requesting a highly prescriptive and detailed report that requires the Company to gather and report on many distinct pieces of information across its global workforce, including the race, gender and ethnicity of its employees. In so doing, the Proposal is overly prescriptive in that it seeks to impose specific and detailed reporting requirements on the Company’s public disclosures regarding human capital management. The Proposal also impermissibly seeks to dictate a specific method for reporting on complex human capital management policies as a substitute for the judgment of management (and in a manner that is not required by the Commission). Finally, the Proposal would require the Company to collect considerable information to provide granular disclosure of its workforce management without regard to the significance of this information to the Company’s operations, or even with respect to its significance to the Company’s overall performance- and merit-based practices. Quite simply, the Proposal seeks to micromanage the Company’s management of its workforce by requesting detailed data regarding the hiring, retention, and promotion of employees in the Company’s global workforce by race, gender and ethnicity and seeks to interject shareholders into the complex decision-making process of how best to manage the Company’s global workforce, “supplanting the judgment of management and the board” in addressing and reporting on these matters. SLB 14K, Section B.4.

4. Conclusion

The Company requests that the Staff concur with its view that, for the reasons stated above, it may exclude the Proposal from the 2025 Proxy Materials.

**WILSON
SONSINI**

Office of Chief Counsel
February 24, 2025
Page 9

Very truly yours,

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation

/s/ Douglas K. Schnell

Douglas K. Schnell

Enclosures

Friends Fiduciary Corporation
Amy Carr

Wilson Sonsini Goodrich & Rosati, Professional Corporation
Katharine Martin
Tamara Brightwell

Exhibit A
(see attached)



December 3, 2024

VIA MAIL

Attention: Corporate Secretary
Align Technology, Inc.
410 N. Scottsdale Rd., Suite 1300
Tempe, AZ 85288

Dear Corporate Secretary:

Friends Fiduciary Corporation ("Friends Fiduciary") is submitting the attached proposal (the "Proposal") pursuant to the Securities and Exchange Commission's Rule 14a-8 to be included in the proxy statement of Align Technology, Inc. (the "Company") for its 2025 annual meeting of shareholders. Friends Fiduciary is the lead filer for the Proposal and may be joined by other shareholders as co-filers.

Friends Fiduciary serves more than 460 Quaker meetings, churches, and organizations through our socially responsible investment services. Our investment philosophy is grounded in the beliefs of the Religious Society of Friends (Quakers), including peace, simplicity, integrity, and justice. We are long term investors and engage portfolio companies to witness to Quaker values and to protect and enhance the long-term value of our investments. As faith-based investors we value diversity, equity, and inclusion at all levels of a company's workforce and recognize the significant number of studies tying diversity to financial performance.

Friends Fiduciary is available to meet with the Company via teleconference on: December 17, 2024, between 2:00pm and 5:00pm Eastern or December 18, 2024, between 1:00pm and 5:00pm Eastern. Any co-filers will authorize Friends Fiduciary to conduct the initial engagement meeting but may participate subject to their availability.

A representative of the filers will attend the shareholder meeting to move the resolution. We look forward to meaningful dialogue with your company on the issues raised in this proposal. Please note that the contact person for this proposal is Amy Carr at Friends Fiduciary ([REDACTED]).

Friends Fiduciary has continuously beneficially owned, for at least one year as of the date hereof, greater than \$25,000 worth of the Company's common stock. Verification of this ownership is attached. Friends Fiduciary intends to continue to hold such shares through the date of the Company's 2025 annual meeting of shareholders.

Sincerely,

A handwritten signature in black ink, appearing to read "Ethan Birchard", is written over a horizontal line.

Ethan Birchard
Executive Director

Enclosures

Resolved: Shareholders request that Align Technology, Inc. ("Align Technology") report to shareholders on the effectiveness of the Company's diversity, equity, and inclusion efforts. The report should be done at reasonable expense, exclude proprietary information, and provide transparency on outcomes, using quantitative metrics, for hiring, retention, and promotion of employees, including data by gender, race, and ethnicity.

Supporting Statement: Quantitative data is sought so that investors can assess and compare the effectiveness of companies' diversity, equity, and inclusion programs.

Whereas: Align Technology has not released its consolidated EEO-1 form, nor has it shared sufficient hiring, retention, and promotion data to allow investors to determine the effectiveness of its human capital management programs.

Between September 2020 and September 2022, S&P 100 companies increased their release of hiring rate data by gender, race and ethnicity by 298 percent; retention rate data by 481 percent; and promotion rate data by 300 percent.¹ Companies that release, or have committed to release, more inclusion data than Align Technology include Henry Schein, Inc.², Illumina, Inc.³, Agilent Technologies, Inc.⁴, Hologic, Inc.⁵ and Mettler-Toledo International Inc.⁶

Numerous studies have pointed to the benefits of a diverse workforce. Their findings include:

- There is a positive association between diversity in management and cash flow, net profit, revenue, and return on equity.⁷
- Companies in the top quartile for gender diversity are 21 percent more likely to outperform on profitability.⁸
- The 20 most diverse companies had an average annual five year stock return that was 5.8 percentage points higher than the 20 least diverse companies.⁹

Similar to how an income statement pairs with a balance sheet, hiring, promotion and retention rate data show how well a company manages its workforce diversity. Without this data, investors are unable to assess a company's human capital management program.

Companies should look to hire the best talent. However, Black and Latino applicants face hiring challenges. Results of a meta-analysis of 24 field experiments found that, with identical resumes,

¹ <https://www.asyousow.org/our-work/social-justice/workplace-equity>

² <https://www.henryschein.com/us-en/corporate/eo-report.aspx>

³ https://www.illumina.com/content/dam/illumina-marketing/documents/company/EEO1_Illumina_2022.pdf

⁴ <https://www.agilent.com/about/diversity-and-inclusion/en/2023-agilent-consolidated-EEO-1.pdf>

⁵ https://s29.q4cdn.com/816090369/files/doc_downloads/2024/08/Hologic-Inc-Final-2022-EEO-1-Report.pdf

⁶ https://www.mt.com/dam/Legal/Other/Mettler-Toledo_International_Inc-US_Employee_Data_2023.pdf

⁷ <https://www.asyousow.org/report-pages/workplace-diversity-and-financial-performance>

⁸ Ibid

⁹ Holger, Dieter, "The business case for more diversity" Wall Street Journal, October 26, 2019 (<https://www.wsj.com/articles/the-business-case-for-more-diversity-11572091200>)

white applicants received an average of 36 percent more callbacks than Black applicants and 24 percent more callbacks than Latino applicants.”¹⁰

Promotion rates show how well diverse talent is nurtured at a company. Unfortunately, women and employees of color experience “a broken rung” in their careers; for every 100 men who are promoted, only 86 women are. Women of color are particularly impacted, comprising 17 percent of the entry-level workforce and only four percent of executives.¹¹

Retention rates show whether employees choose to remain at a company. Morgan Stanley has found that employee retention above industry average can indicate a competitive advantage and higher levels of future profitability.¹² Companies with high employee satisfaction have also been linked to annualized outperformance of over two percent.¹³

¹⁰ <https://hbr.org/2017/10/hiring-discrimination-against-black-americans-hasnt-declined-in-25-years>

¹¹ https://wiw-report.s3.amazonaws.com/Women_in_the_Workplace_2021.pdf

¹² https://www.morganstanley.com/im/publication/insights/articles/article_culturequantframework_us.pdf

¹³ https://www.institutionalinvestor.com/article/b1tx0zzdhnnf5x/Want-to-Pick-the-Best-Stocks-Pick-the-Happiest-Companies?utm_medium=email&utm_campaign=The%20Essential%20II%20100721&utm_content=The%20Essential%20II%20100721%20CID_eb103a9e15359075f72a85f7ff534c79&utm_source=CampaignMonitorEmail&utm_term=Want%20to%20Pick%20the%20Best%20Stocks%20Pick%20the%20Happiest%20Companies



*Institutional Trust & Custody
50 South 16th St - Suite 2000
Philadelphia, PA 19102*

December 3, 2024

To Whom it May concern:

This letter is to verify that Friends Fiduciary Corporation currently holds greater than \$25,000 worth of Align Technology, Inc. stock. Further Friends Fiduciary Corporation has continuously held greater than \$25,000 worth of Align Technology, Inc. stock for one year preceding December 3, 2024 and will continue to hold greater than \$25,000 worth of Align Technology, Inc. stock through the date of the company's next annual meeting. The securities are held by US Bank NA who serves as custodian for Friends Fiduciary Corporation. The shares are registered in our nominee name at Depository Trust Company.

Sincerely,

A handwritten signature in dark ink, appearing to read "Sue E Massey", followed by a horizontal line.

Sue E Massey
Senior Account Associate



DOUGLAS K. SCHNELL
Internet: dschnell@wsgr.com
Direct dial: (650) 849-3275

Client File No.: 22733.053

March 24, 2025

BY ONLINE SUBMISSION FORM

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

**Re: Shareholder Proposal of Friends Fiduciary Corporation Submitted to
Align Technology, Inc.**

Ladies and Gentlemen:

In a letter dated February 24, 2025 (the “No-Action Request”), we requested that the Staff of the Division of Corporation Finance concur that our client, Align Technology, Inc. (the “Company”), could exclude the shareholder proposal and supporting statement (the “Proposal”) submitted by Friends Fiduciary Corporation (the “Proponent”) from the proxy materials to be distributed by the Company in connection with its 2025 Annual Meeting of Shareholders.

The Proponent has informed the Company that it has withdrawn the Proposal. Accordingly, we withdraw the No-Action Request.

If you have any questions, please do not hesitate to contact me at the telephone number above.

Very truly yours,

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation

/s/ Douglas K. Schnell

Douglas K. Schnell

Enclosures

cc: Friends Fiduciary Corporation
Ethan Birchard

Wilson Sonsini Goodrich & Rosati, Professional Corporation
Katharine Martin
Tamara Brightwell