



DIVISION OF
CORPORATION FINANCE

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

December 21, 2021

Sam Whittington
Apple Inc.

Re: Apple Inc. (the "Company")
Incoming letter dated October 18, 2021

Dear Mr. Whittington:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Azzad Asset Management (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests that the board revise the Company's Transparency Reports to provide clear explanations of the number and categories of app removals from the app store, in response to or in anticipation of government requests, that may reasonably be expected to limit freedom of expression or access to information.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(10). Based on the information you have presented, it does not appear that the Company's public disclosures compare favorably with the guidelines of the Proposal.

Copies of all of the correspondence on which this response is based will be made available on our website at [SEC.gov | 2021-2022 No-Action Responses Issued Under Exchange Act Rule 14a-8](https://www.sec.gov/2021-2022-No-Action-Responses-Issued-Under-Exchange-Act-Rule-14a-8).

Sincerely,

Rule 14a-8 Review Team

cc: Joshua Brockwell
Azzad Asset Management

October 18, 2021



VIA ELECTRONIC MAIL

Office of the Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: **Apple Inc. Shareholder Proposal Submitted by Azzad Asset Management**

Ladies and Gentlemen:

This letter is submitted pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended. Apple Inc., a California corporation (“**Apple**” or the “**Company**”), has received a shareholder proposal (the “**Proposal**”) and related supporting statement (the “**Supporting Statement**”) submitted by Azzad Asset Management (the “**Proponent**”) for inclusion in the Company’s proxy statement (the “**Proxy Materials**”) for the Company’s 2022 Annual Meeting of Shareholders (the “**Annual Meeting**”). A copy of the Proposal and the Supporting Statement, together with other correspondence relating to the Proposal, is attached hereto as [Exhibit A](#). The Company hereby advises the staff of the Division of Corporation Finance (the “**Staff**”) that it intends to exclude the Proposal from its Proxy Materials. The Company respectfully requests confirmation that the Staff will not recommend enforcement action to the Securities and Exchange Commission (the “**Commission**”) if the Company excludes the Proposal pursuant to Rule 14a-8(i)(10), as the Proposal has been substantially implemented.

By copy of this letter, the Company is advising the Proponent of its intention to exclude the Proposal. In accordance with Rule 14a-8(j)(2) and Staff Legal Bulletin No. 14D, the Company is submitting by electronic mail (i) this letter, which sets forth its reasons for excluding the Proposal; and (ii) the Proponent’s letter submitting the Proposal.

Pursuant to Rule 14a-8(j), the Company is submitting this letter not less than 80 days before the Company intends to file its Proxy Materials and is sending a copy of this letter concurrently to the Proponent.

I. The Shareholder Proposal.

The Proposal, in material part, requests that the Company’s shareholders approve the following:

“**Resolved**, shareholders request the Board of Directors revise the Company’s Transparency Reports to provide clear explanations of the number and categories of app removals from the app store, in response to or in anticipation of government requests, that may reasonably be expected to limit freedom of expression or access to information. Such revision may exclude proprietary or legally privileged information.”

II. Basis for Exclusion – The Proposal Has Been Substantially Implemented by the Company in Accordance with Rule 14a-8(i)(10).

The Company requests that the Staff concur in its view that the Company may exclude the Proposal from the Proxy Materials pursuant to Rule 14a-8(i)(10) because, based on the Company's existing Transparency Reports, the Company has already substantially implemented the Proposal. The Company publishes a bi-annual Transparency Report that provides comprehensive information regarding specific requests from governments for app removal, including requests that are reasonably likely to limit freedom of expression or access to information. In certain circumstances, the Company may be compelled by law to remove apps from the Company's App Store. The Company is committed to transparency in these situations and makes those app removal requests, as well as its response to such requests, available to the public in the Transparency Report, which is available at apple.com/legal/transparency/.

The Transparency Report discloses and discusses different types of app removal requests as well as certain other categories of requests for six-month reporting periods (January 1 to June 30 and July 1 to December 31 of each year). Apple periodically reviews the type of information disclosed in the Transparency Report and modifies its content as appropriate to enhance transparency efforts.

The most recent Transparency Report, for the first half of 2020, is attached hereto as [Exhibit B](#).

A. Rule 14a-8(i)(10)

Rule 14a-8(i)(10) provides that a company may exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. In explaining the scope of a predecessor to Rule 14a-8(i)(10), the Commission stated that the exclusion is "designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." Exchange Act Release No. 12598 (July 7, 1976) (discussing the rationale for adopting the predecessor to Rule 14a-8(i)(10), which provided as a substantive basis for omitting a shareholder proposal that "the proposal has been rendered moot by the actions of the management"). At one time, the Staff interpreted the predecessor rule narrowly, considering a proposal to be excludable under this provision only if it had been "fully effected" by the company. See Exchange Act Release No. 19135 at § II.B.5. (Oct. 14, 1982). By 1982, however, the Commission recognized that the Staff's narrow interpretation of the predecessor rule "may not serve the interests of the issuer's security holders at large and may lead to an abuse of the security holder proposal process," in particular by enabling proponents to argue "successfully on numerous occasions that a proposal may not be excluded as moot in cases where the company has taken most but not all of the actions requested by the proposal." *Id.* Accordingly, the Commission proposed in 1982, and adopted in 1983, a revised interpretation of the rule to permit the omission of proposals that had been "substantially implemented." See Exchange Act Release No. 20091, at § II.E.6. (Aug. 16, 1983) (the "**1983 Release**") (indicating that the Staff's "previous formalistic application of" the predecessor rule "defeated its purpose" because the interpretation allowed proponents to obtain a shareholder vote on an existing company policy by changing only a few words of the policy). The Commission later codified this revised interpretation in Exchange Act Release No. 40018 at n.30 (May 21, 1998). Accordingly, the actions requested by a proposal need not be "fully effected" by the company to be excluded; rather, to be excluded, they need only to have been "substantially implemented" by the company. See the 1983 Release.

Applying this standard, 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.” *Texaco, Inc.* (avail. Mar. 28, 1991). Thus, when a company has already taken action to address the underlying concerns and essential objectives of a shareholder proposal, even though the company did not take the exact action requested by the proponent, did not implement the proposal in every detail, or exercised discretion in determining how to implement the proposal, the proposal has been “substantially implemented” and may be excluded. See, e.g., *PPG Industries Inc.* (avail. Jan. 16, 2020); *Bank of New York Mellon Corp.* (avail. Feb. 15, 2019); *Exelon Corp.* (avail. Feb. 26, 2010); *Exxon Mobil Corp. (Burt)* (avail. Mar. 23, 2009); *Anheuser-Busch Companies, Inc.* (avail. Jan. 17, 2007); *ConAgra Foods, Inc.* (avail. Jul. 3, 2006); *Talbots Inc.* (avail. Apr. 5, 2002); *Exxon Mobil Corp.* (avail. Jan. 24, 2001); and *The Gap, Inc.* (avail. Mar. 8, 1996).

The Staff has previously taken the position that a shareholder proposal requesting that a company’s board of directors prepare a report pertaining to environmental, social, or governance issues may be excluded when the company has provided information about the initiative in various public disclosures. See *Apple Inc.* (avail. Dec. 17, 2020) (concurring with the exclusion of a proposal requesting that the board of directors report to shareholders on the Company’s management systems and processes for implementing its human rights policy commitments regarding freedom of expression and access to information where the Company already disclosed the requested information in the Company’s Human Rights Policy, Business Conduct Policy, Transparency Report, Legal Process Guidelines, Supplier Code of Conduct, Supplier Responsibility Standards and 2020 Supplier Responsibility Progress Report, and other disclosures that addressed the requested information); *Apple Inc.* (avail. Dec. 17, 2020) (concurring with the exclusion of a proposal requesting that the board of directors prepare a report providing the board’s perspective whether the Company’s governance and management systems should be altered to fully implement the Business Round Table’s Statement of Purpose where the Company disclosed governance and management systems consistent with the Statement of Purpose through its Company’s core values, Transparency Report, Supplier Code of Conduct, Supplier Responsibility Standards, Human Rights Policy, Business Conduct Policy, and other disclosures that addressed the requested information, and the Company’s Nominating and Corporate Governance Committee determined there was no need for further action to fully implement the Statement of Purpose); *PPG Industries Inc.* (avail. Jan. 16, 2020) (concurring with the exclusion of a proposal requesting that the board of directors prepare a report on the company’s processes for “implementing human rights commitments within company-owned operations and through business relationships” where the requested information was already disclosed in the company’s global code of ethics, global supplier code of conduct, supplier sustainability policy, and sustainability report, and other disclosures that addressed the requested information); *The Wendy’s Company* (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); *The Dow Chemical Co.* (avail. Mar. 5, 2008) (concurring with exclusion of a proposal requesting that the board of directors prepare a report discussing how the company’s efforts to ameliorate climate change have affected the global climate where the company had already made statements about its efforts related to climate change in various corporate documents and disclosures); *Mondelez International, Inc.* (avail. Mar. 7, 2014) (concurring that a proposal urging the board of directors to prepare a report on the company’s process for identifying and analyzing potential and actual human rights risks in its operations and supply chain was substantially implemented through relevant information on

the company's website); and *The Gap, Inc.* (avail. Mar. 16, 2001) (concurring that a proposal requesting that the board of directors prepare a report on child labor practices of company suppliers was substantially implemented when the company published information on its website with respect to the company's vendor code and monitoring programs).

B. The Company's Current Publicly-Disclosed Transparency Report Substantially Implements the Proposal

The Proposal requests that the Transparency Report be revised to provide clear explanations of the number and categories of app removals, in response to or in anticipation of government requests, that may reasonably be expected to limit freedom of expression or access to information. The Company already provides this information in its Transparency Report. The Transparency Report includes comprehensive information regarding two categories of app removal requests from government authorities received by the Company and explains the two different bases that government authorities may have for requesting removal of an app. The first type of request is based on alleged or suspected violations of local law, for example, where law enforcement or regulatory agencies suspect an app may be unlawful or relate to or contain unlawful content ("**Legal Violation Requests**"), and the second type of request is based on alleged or suspected violations of App Store platform policies ("**Platform Violation Requests**"). Apple's Transparency Report discloses, by country or region, (i) the request type (Legal Violation Request or Platform Violation Request), (ii) the number of requests received, (iii) the number of apps specified in the requests, (iv) the number of requests objected to in part or rejected in full, (v) the number of requests that resulted in an app being removed, (vi) the number of apps removed, (vii) the number of appeals received, (viii) the number of appeals granted and (ix) the number of apps reinstated.

In addition, under the "Matters of Note" section of the Transparency Report, the Company provides additional context regarding the types of apps that governments in each country or region sought to remove by providing qualitative descriptions of the nature of the content on such apps and/or the legal or platform policy violations that led to the app's removal. Page 23 of [Exhibit B](#) attached hereto contains the "Matters of Note" section, where the Company explains, for example, that certain of the removed apps were gambling apps, or that a government sought to remove certain apps because they were identified as state security violations. These qualitative descriptions, taken together with the quantitative disclosures described above, allow readers of the Transparency Report to reasonably discern whether app removals may have the effect of limiting freedom of expression or access to information. For example, the qualitative descriptions provide insight as to the types of content that governments in each country or region find objectionable, and readers can discern from these descriptions whether the apps at issue relate to freedom of expression or access to information. The number of appeals received, outcome of those appeals and the number of apps reinstated shed light on whether there was resistance to the government's takedown request and whether the appeal was heard by a court or government agency and ultimately successful in reinstating the app. Apple's detailed disclosures regarding its treatment of various types of app removal requests and the nature of the apps governments sought to remove demonstrate that the Company has substantially implemented the Proposal. As a result, it is unnecessary to submit the Proposal to shareholders for their consideration at the Annual Meeting as the Proposal has been substantially implemented.

C. The Items Listed in the Supporting Statement Are Mere Suggestions and Are Not Requested or Required by the Proposal

In addition to the Proposal, the Proponent submitted a Supporting Statement that contains a list of suggested items that the Company could include, or explain why it cannot disclose, in its Transparency Report. However, the Proposal itself has not requested or required that these items be included in the Transparency Report. Rather, the Proponent has merely suggested their inclusion in the Supporting Statement. The Staff has recognized that a company is not required to address the items that are merely suggested by a proponent in the supporting statement in order to substantially implement a proposal and that a proposal may be excluded where the company has addressed the matters requested in the proposal itself, but not the matters suggested in the supporting statement. See *Wal-Mart Stores, Inc.* (Feb. 21, 2017) (concurring with the exclusion of a proposal on the grounds that the proposal was substantially implemented even though the company did not substantially implement the proponent's recommendation in the supporting statement because the company had addressed the matters requested in the proposal itself); *McDonald's Corporation* (Mar. 26, 2014) (concurring with the exclusion of a proposal that requested a sustainability and corporate social responsibility report on the grounds that the proposal was substantially implemented even though the company's disclosures did not specifically address the suggestions in the proponent's supporting statement); *MGM Resorts International* (Feb. 28, 2012) (concurring with the exclusion of a proposal on the grounds that the proposal was substantially implemented even though the company did not address the recommendation in the proponent's supporting statement because the recommendation was not an integral part of the proposal and was not necessary to address the proposal's underlying concerns or essential objective). Here, although the Supporting Statement "suggests" a list of items for the Company to include in its Transparency Report, the Proponent has merely suggested inclusion of these items, and the Proposal itself does not request or require such information to be included in the Transparency Report. If the Proponent had intended for the inclusion of these items to be something more than mere suggestions, one would assume the Proponent would have included them in the Proposal and would not have used the word "suggests" when referring to their inclusion in just the Supporting Statement. Thus, consistent with Staff precedent, the fact that the Company's Transparency Report does not address all of the suggestions in the Supporting Statement does not preclude exclusion under Rule 14a-8(i)(10).

Notwithstanding that the items listed in the Supporting Statement are mere suggestions and do not need to be substantially implemented for the Proposal to be excluded, the Company's current Transparency Report does in fact include some of the disclosure suggested by the Proponent in the Supporting Statement. For example, the Proponent suggests inclusion of "external legal or policy basis ... on which the apps were removed." As described in Section II.B. above, Apple already discloses this information by categorizing app removal requests as Legal Violation Requests and Platform Violation Requests and also by noting the specific type of legal violation that led to the request (or the predominant type of violation in countries where there were multiple requests) (see "Matters of Note" on page 23 of [Exhibit B](#) attached hereto).

The Proponent also suggests that the Company include "internal company criteria on which the apps were removed." The Company already provides this information in its Transparency Report. Apple explains in the Transparency Report that it complies with app removal requests "insofar as [it is] legally required to do so" (for Legal Violation requests) or "where Apple has determined there is an App Store platform policy violation" (for Platform Violation requests). Furthermore, Apple explains that it may object to or reject an app removal request in part or in full "based on grounds such as a request does not have a valid legal basis, or is unclear, inappropriate and/or over-broad, or does not sufficiently demonstrate the legal [or

platform policy] violation of the app to be removed.” By providing the standard according to which Apple determines whether to remove an app pursuant to a government request as well as the specific grounds on which it may object to or reject a request, Apple has disclosed the criteria it applies to app removal requests.

In addition to the information made publicly available in its Transparency Report, the Company also provides specific notice directly to the affected developer when an app is removed from sale, and the developer can appeal the removal if they believe it was done in error. In the case of a government request to remove an app from the App Store, the Company has established a procedure so that the notice to the developer includes details regarding the competent legal authority making the request and the legal basis that the authority cites for doing so. This notice and appeal procedure is also publicly disclosed on the Company’s website for developers¹:

“Apple will notify you when, where, and why an app is removed from sale, with the exception of situations in which notification would be futile or ineffective, could cause potential danger of serious physical injury, could compromise Apple’s ability to detect developer violations, or in instances related to violations for spam, phishing, and child exploitation imagery. Whenever possible, apps that are removed from the App Store will only be removed in countries and territories specific to the issue, and will remain available in locations that aren’t impacted. If you believe your app should be reinstated on the App Store, you can appeal the removal.”

D. Staff Precedent Concurring with the Exclusion of Similar Shareholder Proposals Supports the Company’s No-Action Request

Where a company has demonstrated that it has already taken actions to address the underlying concerns and essential objectives of a shareholder proposal, the Staff has concurred that the proposal has been “substantially implemented” and may be excluded. As discussed in Section II.A and II.C. of this letter, the Staff has permitted differences between a company’s actions and a shareholder proposal if the company’s actions satisfactorily address the proposal’s essential objectives, even when the company did not take the exact action requested by the proponent, did not implement the proposal in every detail or exercised discretion in determining how to implement the proposal. See e.g., *PPG Industries Inc.* (avail. Jan. 16, 2020).

Here, the underlying concern and essential objective of the Proposal is transparent reporting of Apple’s treatment of app removal requests from governments, particularly where the removals may reasonably be expected to limit freedom of expression or access to information. By providing comprehensive information regarding the number and types of app removal requests, the number of apps that were ultimately removed as well as qualitative descriptions of the legal or platform policy violations that led to the removal requests, Apple already provides the requested disclosure regarding app removals and sufficient information for readers to reasonably discern whether the removals may have the effect of limiting freedom of expression or access to information. Therefore, consistent with the factors that led to the Staff’s concurrence in the precedent no-action letters cited in Sections II.A and II.C of this letter, Apple has shown that it has

¹ See: <https://developer.apple.com/support/app-store/>

already addressed the underlying concern and essential objective of the Proposal and therefore has substantially implemented the Proposal.

III. Conclusion.

For the reasons described above, it is the Company’s view that it may exclude the Proposal from its Proxy Materials pursuant to Rule 14a-8(i)(10) because it has already substantially implemented the Proposal. We request that the Staff concur or, alternatively, confirm that the Staff will not recommend any enforcement action to the Commission if the Company so excludes the Proposal.

* * * *

If the Staff does not concur with the Company’s position, we would appreciate an opportunity to confer with the Staff concerning this matter prior to the determination of the Staff’s final position. In addition, the Company requests that the Proponent copy the undersigned on any response they may choose to make to the Staff, pursuant to Rule 14a-8(k).

Please contact the undersigned at (408) 966-1010 or by email at sam_whittington@apple.com to discuss any questions you may have regarding this matter.

Sincerely,



Sam Whittington
Assistant Secretary

Enclosures

cc: Azzad Asset Management
Jenna Cooper, Latham & Watkins LLP

Exhibit A

Copy of the Proposal and Supporting Statement and Related Correspondence

Copy of the Proposal and Supporting Statement

Transparency Reports

In December 2020, 154 human rights organizations wrote to CEO Tim Cook regarding Apple's complicity with the Chinese government's human rights atrocities, noting that "[e]ven though...app removals gravely affect freedom of expression and access to information, Apple's Transparency Report currently does not disclose such actions beyond a number."

The *New York Times* reported in May 2021: "... Apple has constructed a bureaucracy that has become a powerful tool in China's vast censorship operation. It proactively censors its Chinese App Store, relying on software and employees to flag and block apps that Apple managers worry could run afoul of Chinese officials." Since 2017, the *Times* said, roughly 55,000 active apps have disappeared from Apple's Chinese App Store, including "tools for organizing pro-democracy protests and skirting internet restrictions." Most of those apps have remained available in other countries, the *Times* said.

Apple's transparency report for the first half of 2020 disclosed that it complied with all 46 requests from the Chinese government to remove 152 apps from the App Store. The report did not explain which apps were removed or for what reason.

- Apple's transparency reporting takes a "quantitative approach" that offers "little context for the app removal requests from the Chinese government or explanation of the risks that may be involved," according to Institutional Shareholder Services.
- The 2020 Ranking Digital Rights Corporate Accountability Index found "Apple lacked transparency about its process for removing apps from the App Store for violations to iOS rules."

Shareholders are deeply concerned about a material failure in Apple's transparency reporting that seemingly highlights a contradiction between Apple's human rights policy and its actions regarding China and its occupied territories, which represent almost a third of Apple's customer base. This poses significant legal, reputational and financial risk to Apple and its shareholders.

Resolved, shareholders request the Board of Directors revise the Company's Transparency Reports to provide clear explanations of the number and categories of app removals from the app store, in response to or in anticipation of government requests, that may reasonably be expected to limit freedom of expression or access to information. Such revision may exclude proprietary or legally privileged information.

Supporting Statement: Proponents suggest the company include in its Transparency Reports, or explain why it cannot disclose:

- The substantive content of government requests, by country, including which government agencies made requests; number of apps removed by category such as "encrypted communications," VPN, etc.; and external legal or policy basis as well as internal company criteria on which the apps were removed;
- Any indicia of the extent of impact on residents of those countries, such as the number of prior downloads of the app and whether existing usage of the app was eliminated;
- Any efforts by the company to mitigate the harmful effect on freedom of expression and access to information posed by the categories of removals.

Copy of Related Correspondence

From: Joshua Brockwell <joshua@azzad.net>
Date: September 1, 2021 at 14:34:38 PDT
To: SHAREHOLDERPROPOSAL@apple.com
Subject: Shareholder Proposal - Azzad Asset Management

Good afternoon,

On behalf of Azzad Asset Management, I write to give notice that my firm intends to present the attached proposal at the next annual meeting of shareholders. Azzad requests that Apple include the proposal in the company's proxy statement for the annual meeting. Azzad or its agent intends to present the proposal.

Please direct all questions or correspondence to me. I can be reached at (703) 207-7005 ext. 109 or joshua@azzad.net.

Thank you,
Josh

Joshua Brockwell, CSRIC™
Investment Communications Director

Azzad Asset Management, Inc.
3141 Fairview Park Drive, Suite 355, Falls Church, VA 22042
Office: (703) 207-7005 x109 | Cell: (571) 970-8695 | Fax: (703) 852-7478



AZZAD

ASSET MANAGEMENT

Invest with faith

3141 Fairview Park Drive, Suite 355
Falls Church, VA 22042

September 1, 2021

Via email to shareholderproposals@apple.com

Tim Cook
Apple Inc.
One Apple Park Way
Cupertino, CA 95014 USA

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

Dear Mr. Cook,

Azzad Asset Management 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 Apple (the "Company") for its 2022 annual meeting of shareholders. Azzad is the lead filer for the Proposal and may be joined by other shareholders as co-filers.

Azzad has continuously beneficially owned, for at least three years as of the date hereof, at least \$2,000 worth of the Company's common stock. Verification of this ownership will be sent under separate cover. Azzad intends to continue to hold such shares through the date of the Company's 2022 annual meeting of shareholders.

Azzad is available to meet with the Company between 9:30 a.m. and 5 p.m. Pacific Time the week of September 27th. Any co-filers will in their submission letters, authorize us to engage with the Company on their behalf, within the meaning of Rule 14a-8(b)(iii)(B).

I can be contacted at 571-970-8695 or by email at joshua@azzad.net to schedule a meeting. Please feel free to contact me with any questions.

Respectfully,

Joshua A. Brockwell
Investment Communications Director

Cc: Katherine Adams, Interfaith Center on Corporate Responsibility, Open MIC

Transparency Reports

In December 2020, 154 human rights organizations wrote to CEO Tim Cook regarding Apple's complicity with the Chinese government's human rights atrocities, noting that "[e]ven though...app removals gravely affect freedom of expression and access to information, Apple's Transparency Report currently does not disclose such actions beyond a number."

The *New York Times* reported in May 2021: "... Apple has constructed a bureaucracy that has become a powerful tool in China's vast censorship operation. It proactively censors its Chinese App Store, relying on software and employees to flag and block apps that Apple managers worry could run afoul of Chinese officials." Since 2017, the *Times* said, roughly 55,000 active apps have disappeared from Apple's Chinese App Store, including "tools for organizing pro-democracy protests and skirting internet restrictions." Most of those apps have remained available in other countries, the *Times* said.

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- The 2020 Ranking Digital Rights Corporate Accountability Index found "Apple lacked transparency about its process for removing apps from the App Store for violations to iOS rules."

Shareholders are deeply concerned about a material failure in Apple's transparency reporting that seemingly highlights a contradiction between Apple's human rights policy and its actions regarding China and its occupied territories, which represent almost a third of Apple's customer base. This poses significant legal, reputational and financial risk to Apple and its shareholders.

Resolved, shareholders request the Board of Directors revise the Company's Transparency Reports to provide clear explanations of the number and categories of app removals from the app store, in response to or in anticipation of government requests, that may reasonably be expected to limit freedom of expression or access to information. Such revision may exclude proprietary or legally privileged information.

Supporting Statement: Proponents suggest the company include in its Transparency Reports, or explain why it cannot disclose:

- The substantive content of government requests, by country, including which government agencies made requests; number of apps removed by category such as "encrypted communications," VPN, etc.; and external legal or policy basis as well as internal company criteria on which the apps were removed;
- Any indicia of the extent of impact on residents of those countries, such as the number of prior downloads of the app and whether existing usage of the app was eliminated;
- Any efforts by the company to mitigate the harmful effect on freedom of expression and access to information posed by the categories of removals.

September 1, 2021

Katherine Adams
Apple Inc.
One Apple Park Way
Cupertino, CA 95014 USA

Re: Shareholder proposal submitted by Azzad Asset Management

Dear Ms. Adams,

I write concerning a shareholder proposal (the "Proposal") submitted to Apple, Inc. (the "Company") by Azzad Asset Management, Inc.

As of September 1, 2021, Azzad Asset Management beneficially owned, and had beneficially owned continuously for at least three years, shares of the Company's common stock worth at least \$2,000 (the "Shares").

Folio Institutional has acted as record holder of the Shares and is a DTC participant. If you require any additional information, please do not hesitate to contact me at (703) 245-5709 or harmonr@folioinvesting.com.

Very truly yours,



Ryan Harmon
Director, Relationship Management
8180 Greensboro Dr.
8th floor
McLean, VA 22102
harmonr@folioinvesting.com
T: 703-245-5709

From: Marren, Katie (NY)
Sent: Wednesday, September 8, 2021 2:50 PM
To: joshua@azzad.net
Cc: Cooper, Jenna (NY)
Subject: Apple Shareholder Proposal
Attachments: 14a-8 - Apple - Letter to Azzad - Sept. 8, 2021.PDF

Mr. Brockwell,

Please find attached a letter on behalf of Apple Inc. in reference to a shareholder proposal submitted by you on behalf of Azzad Asset Management. A hard copy of this letter has also been sent to you via FedEx.

Regards,

Katherine Macrae Marren

LATHAM & WATKINS LLP
1271 Avenue of the Americas
New York, NY 10020
Direct Dial: +1.212.906.2980
Email: katie.marren@lw.com
<https://www.lw.com>

Jenna Cooper
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London	Singapore
Los Angeles	Tokyo
Madrid	Washington, D.C.
Milan	

September 8, 2021

BY FEDEX AND ELECTRONIC MAIL

Azzad Asset Management
Attn: Joshua A. Brockwell
3141 Fairview Park Drive, Suite 355
Falls Church, VA 22042
joshua@azzad.net

Re: Shareholder Proposal to Apple Inc.

Dear Mr. Brockwell,

On September 1, 2021, Apple Inc. (the “Company”) received correspondence from you on behalf of Azzad Asset Management (“Azzad”) purportedly submitting a shareholder proposal and an accompanying supporting statement (the “Proposal”) for inclusion in the Company’s proxy statement for its 2022 annual meeting of shareholders. The correspondence indicates that Azzad intended for the Proposal to meet the requirements of Rule 14a-8 of the Securities Exchange Act of 1934, as amended (“Rule 14a-8”), including providing proof of the continuous ownership of the required share value of the Company’s securities for an applicable period as provided in Rule 14a-8(b)(1)(i) and providing a written statement that Azzad is able to meet with the Company in person or via teleconference no less than 10 calendar days, nor more than 30 calendar days, after submission of the Proposal, including providing business days and specific times within the regular business hours of the Company’s principal executive offices that Azzad is available to discuss the proposal with the Company.

This notice is to inform you that the Company has not received proper verification of Azzad’s share ownership. As a result, Azzad has not demonstrated that it is eligible to submit the Proposal under Rule 14a-8. In order for the Proposal to be properly submitted, Azzad must remedy this procedural deficiency no later than 14 calendar days from the date you receive this notice.

I. PROOF OF SHARE OWNERSHIP.

A. Proof of Ownership Requirement

Rule 14a-8(b)(1)(i) provides that, in order to be eligible to submit a proposal to the Company, Azzad must have continuously held as of the submission date:

- at least \$2,000 in market value of the Company's securities entitled to vote on the Proposal for at least three years; or
- at least \$15,000 in market value of the Company's securities entitled to vote on the Proposal for at least two years; or
- at least \$25,000 in market value of the Company's securities entitled to vote on the Proposal for at least one year.

In addition, Rules 14a-8(b)(1)(i) and (b)(3) also provide that, for annual or special meetings to be held prior to January 1, 2023, Azzad can satisfy the proof of ownership requirement by demonstrating that Azzad continuously held at least \$2,000 of the Company's securities entitled to vote on the Proposal for at least one year as of January 4, 2021, so long as Azzad continuously held at least \$2,000 of such securities from January 4, 2021 through the date the Proposal was submitted to the Company, which was September 1, 2021.

In order to establish Azzad's eligibility to submit the Proposal under Rule 14a-8, Azzad is required to provide the Company with documentation regarding Azzad's ownership of Company securities, or Azzad must direct its broker or bank to send such documentation to the Company. Rule 14a-8(b) provides that Azzad may demonstrate its eligibility to the Company in two ways. Azzad may either submit:

- a written statement from the "record" holder of Azzad's securities (usually a broker or bank) verifying that, at the time Azzad submitted the Proposal, which was on September 1, 2021, Azzad continuously held the required share value for an applicable period of time as determined in accordance with Rule 14a-8(b)(1)(i); or
- a copy of a Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5, or amendments to those documents or updated forms, reflecting Azzad's ownership of the required share value as of or before the date on which the applicable eligibility period under Rule 14a-8(b)(1)(i) began.

To help shareholders comply with the requirement to prove ownership by providing a written statement from the "record" holder of the shares, the staff of the SEC's Division of Corporation Finance (the "SEC Staff") published Staff Legal Bulletin No. 14F ("SLB 14F"). In SLB 14F, the SEC Staff stated that only brokers or banks that are Depository Trust Company ("DTC") participants will be viewed as "record" holders for the purposes of Rule 14a-8. Thus, shareholders must obtain the required written statement from the DTC participant through which their shares are held.

If you or Azzad are not certain whether Azzad's broker or bank is a DTC participant, you may check the DTC's participant list, which is currently available on the Internet at:

<http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx>

If Azzad's broker or bank is not on the DTC's participant list, Azzad will need to obtain proof of ownership from the DTC participant through which Azzad's securities are held. Azzad should be able to find out who the DTC participant is by asking its broker or bank. If the DTC participant knows of the holdings of Azzad's broker or bank, but does not know Azzad's holdings, you or Azzad may satisfy the proof of ownership requirement by obtaining and submitting two proof of ownership statements verifying that, at the time the Proposal was submitted, which was on September 1, 2021, the required value of securities was continuously held by Azzad for the applicable period of time as provided in Rule 14a-8(b)(1)(i) – with one statement from the broker or bank confirming Azzad's ownership, and the other statement from the DTC participant confirming the broker or bank's ownership. Please see the enclosed copy of SLB 14F for further information.

Please note that the documentation must establish Azzad's ownership of the required share value for at least the minimum period required by Rule 14a-8(b)(1)(i) by the date Azzad submitted the Proposal, which was September 1, 2021.

B. Azzad's Proof of Ownership Submission

In your correspondence with the Company, you provided a letter from Folio Institutional (the "Folio Letter") stating that, as of September 1, 2021, Azzad had "beneficially owned continuously for at least three years, shares of the Company's common stock worth at least \$2,000" and that "Folio Institutional ... is a DTC participant." In the Folio Letter, "the Company" is defined as "Apple, Inc."

There are two deficiencies with the proof of ownership provided by Azzad.

First, "Folio Institutional" does not appear on DTC's participant list. Therefore, new proof of ownership from the DTC participant through which Azzad's securities are held must be provided and such DTC participant's name must match the name of the participant as it appears in the DTC's participant list. As noted above in Section I.A of this notice, in accordance with SLB 14F, if the DTC participant knows of the holdings of Azzad's broker or bank, but does not know Azzad's holdings, you or Azzad may satisfy the proof of ownership requirement by obtaining and submitting two proof of ownership statements verifying that, at the time the Proposal was submitted, which was on September 1, 2021, the required amount of securities were continuously held by Azzad for the applicable period of time as provided in Rule 14a-8(b)(1)(i) – with one statement from the broker or bank confirming Azzad's ownership, and the other statement from the DTC participant confirming the broker or bank's ownership. Again, the name of the DTC participant in the statement must match the name of the participant as it appears in DTC's participant list in order for the Company to verify the assertion that the proof of ownership is being provided by the holder of record as required by SLB 14F.

LATHAM & WATKINS LLP

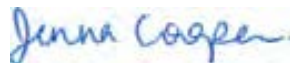
Second, “Apple, Inc.” is not the name of the Company; the name of the Company is Apple Inc. Thus, Azzad has not demonstrated that it is a shareholder of the Company as required by Rule 14a-8(b)(i). Therefore, you or Azzad must submit a new proof of ownership demonstrating that Azzad is a shareholder of the Company, not Apple, Inc.

* * *

In order for the Proposal to be properly submitted, you or Azzad must respond to this letter with the proper verification of Azzad’s share ownership as described above. The response must be postmarked or transmitted no later than 14 calendar days from the date you receive this notice. For your information, we have attached a copy of Rule 14a-8 regarding shareholder proposals.

Please note that the Company has made no inquiry as to whether or not the Proposal, if properly submitted, may be excluded pursuant to Rule 14a-8(i) or for any other reason. The Company will make such a determination once the Proposal has been properly submitted.

Sincerely,



Jenna B. Cooper
of LATHAM & WATKINS LLP

Enclosures

cc: Sam Whittington, Apple Inc.
Brian Miller, Latham & Watkins LLP

From: Marren, Katie (NY)
Sent: Wednesday, September 8, 2021 5:20 PM
To: Joshua Brockwell
Cc: Cooper, Jenna (NY); shareholderproposal@apple.com
Subject: RE: Apple Shareholder Proposal
Attachments: Apple Letter 09012021.doc.pdf

Thanks, confirming receipt.

Katherine Macrae Marren

LATHAM & WATKINS LLP
1271 Avenue of the Americas | New York, NY 10020
D: +1.212.906.2980

From: Joshua Brockwell <joshua@azzad.net>
Sent: Wednesday, September 8, 2021 4:26 PM
To: Marren, Katie (NY) <Katie.Marren@lw.com>
Cc: Cooper, Jenna (NY) <Jenna.Cooper@lw.com>
Subject: RE: Apple Shareholder Proposal

Thank you. I've attached a corrected letter from our custodian. Please let me know if you need anything else.

Best,
Josh

Joshua Brockwell, CSRIC™
Investment Communications Director

Azzad Asset Management, Inc.
3141 Fairview Park Drive, Suite 355, Falls Church, VA 22042
Office: (703) 207-7005 x109 | Cell: (571) 970-8695 | Fax: (703) 852-7478



From: Katie.Marren@lw.com <Katie.Marren@lw.com>
Sent: Wednesday, September 8, 2021 2:50 PM
To: Joshua Brockwell <joshua@azzad.net>
Cc: Jenna.Cooper@lw.com
Subject: Apple Shareholder Proposal

Mr. Brockwell,

Please find attached a letter on behalf of Apple Inc. in reference to a shareholder proposal submitted by you on behalf of Azzad Asset Management. A hard copy of this letter has also been sent to you via FedEx.

Regards,

Katherine Macrae Marren

LATHAM & WATKINS LLP
1271 Avenue of the Americas
New York, NY 10020
Direct Dial: +1.212.906.2980
Email: katie.marren@lw.com
<https://www.lw.com>

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FOLIOfn Investments, Inc.
8180 Greensboro Drive
8th Floor
McLean, VA 22102

p 888-485-3456
f 703-880-7313
folioinstitutional.com

September 9, 2021

Katherine Adams
Apple Inc.
One Apple Park Way
Cupertino, CA 95014 USA

Re: Shareholder proposal submitted by Azzad Asset Management

Dear Ms. Adams,

I write concerning a shareholder proposal (the "Proposal") submitted to Apple Inc. (the "Company") by Azzad Asset Management, Inc.

As of September 1, 2021, Azzad Asset Management beneficially owned, and had beneficially owned continuously for at least three years, shares of the Company's common stock worth at least \$2,000 (the "Shares").

Folio Investments, Inc. has acted as record holder of the Shares and is a DTC participant. If you require any additional information, please do not hesitate to contact me at (703) 245-5709 or harmonr@foliofinancial.com.

Sincerely,

DocuSigned by:

A handwritten signature in black ink that reads "Ryan Harmon".

6E0D627EACC14B8...

Ryan Harmon

Director, Relationship Management

8180 Greensboro Dr.

8th floor

McLean, VA 22102

harmonr@foliofinancial.com

T: 703-245-5709

Exhibit B

Transparency Report

Apple Transparency Report: Government and Private Party Requests

January 1 - June 30, 2020

Introduction

Apple is very seriously committed to protecting your data and we work hard to deliver the most secure hardware, software and services available. We believe our customers have a right to understand how their personal data is managed and protected. This report provides information regarding requests Apple received from government agencies worldwide and U.S. private parties from January 1 through June 30, 2020.

Types of requests we receive

Apple receives various forms of legal requests seeking information from or actions by Apple. We receive requests from governments globally where we operate and from private parties.

Government request circumstances can vary from instances where law enforcement agencies are working on behalf of customers who have requested assistance regarding lost or stolen devices, to instances where law enforcement are working on behalf of customers who suspect their credit card has been used fraudulently to purchase Apple products or services, to instances where an account is suspected to have been used unlawfully. Requests can also seek to preserve an Apple account, restrict access to an Apple account or delete an Apple account. Additionally, requests can relate to emergency situations where there is imminent harm to the safety of any person.

Private party request circumstances generally relate to instances where private litigants are involved in either civil or criminal proceedings.

Types of legal requests Apple receives from the United States can be: subpoenas, court orders, search warrants, pen register/trap and trace orders, or wiretap orders.

Types of legal requests Apple receives internationally can be: Production Orders (Australia, Canada, New Zealand), Requisition or Judicial Rogatory Letters (France), Solicitud Datos (Spain), Ordem Judicial (Brazil), Auskunftersuchen (Germany), Obligation de dépôt (Switzerland), 個人情報の開示依頼 (Japan), Personal Data Request (United Kingdom), as well as equivalent court orders and/or requests from other countries.

The restrictions imposed by the sanctions laws generally prohibit Apple from responding to requests from countries, territories or governments sanctioned by the U.S. Department of Treasury, with the exception of requests involving exempt informational material or where prior authorization has been secured.

Types of customer data sought in requests

The type of customer data sought in requests varies depending on the case under investigation. For example, in stolen device cases, law enforcement generally seek details of customers associated with devices or device connections to Apple services. In credit card fraud cases, law enforcement generally seek details of suspected fraudulent transactions. Depending on what the legal request asks, Apple will provide subscriber or transaction details in response to valid legal requests received.

In instances where an Apple account is suspected of being used unlawfully, law enforcement may seek details of the customer associated with the account, account connections or transaction details or account content. Any U.S. government agency seeking customer content data from Apple must obtain a search warrant issued upon a showing of probable cause. International requests for content must comply with applicable laws, including the U.S. Electronic Communications Privacy Act (ECPA). A request under a Mutual Legal Assistance Treaty or Agreement with the U.S. is in compliance with ECPA.

The type of customer data sought in emergency situations generally relates to details of customers' connection to Apple services. We have a dedicated team available around the clock to respond to emergency requests. Apple processes emergency requests from law enforcement globally on a 24/7 basis. An emergency request must relate to circumstances involving imminent danger of death or serious physical injury to any person. If Apple believes in good faith that it is a valid emergency, we may voluntarily provide information to law enforcement on an emergency basis.



How we manage and respond to requests

Apple has a centralized and standardized process for receiving, tracking, processing, and responding to legal requests from law enforcement, government, and private parties worldwide, from when a request is received until when a response is provided.

Government and private entities are required to follow applicable laws and statutes when requesting customer information and data. We contractually require our service providers to abide by the same standard for any government information requests for Apple data. Our legal team reviews requests received to ensure that the requests have a valid legal basis. If they do, we comply with the requests and provide data responsive to the request. If we determine a request does not have a valid legal basis, or if we consider it to be unclear, inappropriate and/or over-broad, we challenge or reject it.

How we count requests and responses

Apple counts requests received from government agencies worldwide and United States private parties within the reporting period in which they are received. Overall numbers of requests and responses are reported.

A request with a valid legal basis is processed and responded to, and is counted as one request. A request that is challenged/rejected is counted as one request. Where new legal process is submitted to amend the request, it is counted as a new request. We count each request we challenge or reject for account-based, account restriction/deletion, emergency and private party requests; and report these numbers accordingly.

We count the number of discernible devices, financial identifiers, and/or accounts specified in requests, and report these accordingly by type. If there are two identifiers for one device in a request, for example a serial number and IMEI number, we count this as one device. If there are multiple identifiers for one account in a request, for example Apple ID, full name and phone number, we count this as one account.

For United States Government Requests by Legal Process Type reporting, where two types of legal process are combined in a single request, such as a search warrant with an incorporated court order, we record the request at the highest level of legal process and the request would be reported as a search warrant. An exception is where a pen register/trap and trace order is received; this is counted as a pen register/trap and trace order, notwithstanding that it may include a search warrant.

How we report requests and responses

We report on requests and responses in the following categories:

- 1) Worldwide Government Device Requests
- 2) Worldwide Government Financial Identifier Requests
- 3) Worldwide Government Account Requests
- 4) Worldwide Government Account Preservation Requests
- 5) Worldwide Government Account Restriction/Deletion Requests
- 6) Worldwide Government Emergency Requests
- 7) United States Government National Security Requests
- 8) United States Government Device Requests by Legal Process Type
- 9) United States Government Financial Identifier Requests by Legal Process Type
- 10) United States Government Account Requests by Legal Process Type
- 11) United States Private Party Requests for Information
- 12) United States Private Party Requests for Account Restriction/Deletion
- 13) Worldwide Government App Store Takedown Requests - Legal Violations
- 14) Worldwide Government App Store Takedown Requests - Platform Policy Violations

For government agency requests for customer information and data, we report the numbers of requests we receive and our responses in various categories. For United States National Security requests for customer information and data, we report as much detail as we are legally allowed. In order to report FISA non-content and content requests in separate categories, Apple is required by law to delay reporting by 6 months and report the numbers in ranges of 500, pursuant to the USA FREEDOM Act of 2015.

Customer notification

When we receive an account request seeking our customers' information and data, we notify the customer that we have received a request concerning their personal data except where we are explicitly prohibited by the legal process, by a court order Apple receives, or by applicable law. We reserve the right to make exceptions, such as instances where we believe providing notice creates a risk of injury or death to an identifiable individual, or where the case relates to child endangerment, or where notice is not applicable to the underlying facts of the case.



Table 1: Worldwide Government Device Requests January 1 - June 30, 2020

Table 1 provides information regarding device-based requests received. Examples of such requests are where law enforcement agencies are working on behalf of customers who have requested assistance regarding lost or stolen devices. Additionally, Apple regularly receives multi-device requests related to fraud investigations. Device-based requests generally seek details of customers associated with devices or device connections to Apple services.

Country or Region ¹	# of Device Requests Received	# of Devices Specified in the Requests	# of Device Requests Where Data Provided	% of Device Requests Where Data Provided
Asia Pacific				
Australia	918	2,398	440	48%
China mainland	910	13,243	851	94%
Hong Kong	48	84	9	19%
Japan	1,427	4,899	1,253	88%
Macau	3	5	2	67%
Malaysia	1	1	1	100%
New Zealand	34	53	11	32%
Singapore	735	778	632	86%
South Korea	61	2,948	48	79%
Taiwan	110	292	65	59%
Thailand	5	5	1	20%
Asia Pacific Total	4,252	24,706	3,313	78%
Europe, Middle East, India, Africa				
Andorra	28	28	18	64%
Austria	132	202	3	2%
Belarus	1	1	1	100%
Belgium	120	352	98	82%
Czech Republic	42	69	38	90%
Denmark	7	1,076	3	43%
Estonia	2	2	1	50%
Finland	10	67	5	50%
France	695	1,574	456	66%
Germany	13,021	19,633	10,568	81%
Greece	28	48	19	68%
Hungary	50	4,059	37	74%
India	57	158	42	74%
Ireland	94	616	79	84%
Israel	2	2	0	0%
Italy	208	457	24	12%
Liechtenstein	1	1	1	100%
Lithuania	1	1	0	0%
Luxembourg	2	2	1	50%
Malta	1	1	0	0%
Moldova	1	7	0	0%
Netherlands	50	202	34	68%
North Macedonia	1	2	0	0%
Norway	8	12	3	38%
Poland	36	49	27	75%
Portugal	103	141	66	64%
Romania	4	39	4	100%
Russia	1,055	1,671	884	84%
Slovenia	9	40	9	100%
South Africa	21	924	18	86%
Spain	965	1,856	763	79%
Sweden	180	4,889	168	93%
Switzerland	202	459	163	81%
Turkey	8	13	1	13%
United Kingdom	564	1,075	462	82%
Europe, Middle East, India, Africa Total	17,709	39,728	13,996	79%
Latin America				
Argentina	1	1	0	0%
Brazil	1,542	9,212	1,315	85%
Chile	109	149	92	84%
Ecuador	1	1	0	0%
Latin America Total	1,653	9,363	1,407	85%
North America				
Canada	18	129	15	83%
Mexico	3	3	0	0%
United States of America	4,641	97,439	3,790	82%
North America Total	4,662	97,571	3,805	82%
Worldwide Total	28,276	171,368	22,521	80%

¹ Only countries / regions where Apple received device requests during report period January 1 - June 30, 2020, are listed.



of Device Requests Received

The number of device-based requests received from a government agency seeking customer data related to specific device identifiers, such as serial number or IMEI number. Requests can be in various formats such as subpoenas, court orders, warrants, or other valid legal requests. We count each individual request received from each country/region and report the total number of requests received by country/region.

of Devices Specified in the Requests

The number of devices specified in the requests. One request may contain one or multiple device identifiers. For example, in a case related to the theft of a shipment of devices, law enforcement may seek information related to several device identifiers in a single request. We count the number of devices identified in each request, received from each country/region, and report the total number of devices specified in requests received by country/region.

of Device Requests Where Data Provided

The number of device-based requests that resulted in Apple providing data, such as customers associated with devices, device connections to Apple services, purchase, customer service, or repair information, in response to a valid legal request. We count each device-based request where we provide data and report the total number of such instances by country/region.

% of Device Requests Where Data Provided

The percentage of device-based requests that resulted in Apple providing data. We calculate this based on the number of device-based requests that resulted in Apple providing data per country/region, compared to the total number of device-based requests Apple received from that country/region.



Table 2: Worldwide Government Financial Identifier Requests January 1 - June 30, 2020

Table 2 provides information regarding financial identifier-based requests received. Examples of such requests are where law enforcement agencies are working on behalf of customers who have requested assistance regarding suspected fraudulent credit card activity used to purchase Apple products or services. Financial identifier-based requests generally seek details of suspected fraudulent transactions.

Country or Region ¹	# of Financial Identifier Requests Received	# of Financial Identifiers Specified in the Requests	# of Financial Identifier Requests Where Data Provided	% of Financial Identifier Requests Where Data Provided
Asia Pacific				
Australia	75	201	32	43%
China mainland	39	2,017	22	56%
Hong Kong	237	535	74	31%
Japan	166	1,292	134	81%
Macau	11	28	9	82%
Malaysia	1	1	1	100%
New Zealand	4	4	3	75%
Singapore	89	617	64	72%
South Korea	20	20	15	75%
Taiwan	255	289	238	93%
Asia Pacific Total	897	5,004	592	66%
Europe, Middle East, India, Africa				
Austria	24	71	0	0%
Belgium	11	29	7	64%
Czech Republic	25	47	17	68%
Denmark	6	6	1	17%
Estonia	1	1	0	0%
Finland	3	30	1	33%
France	360	1,117	245	68%
Germany	554	3,991	431	78%
Greece	3	3	1	33%
Hungary	7	7	5	71%
India	250	253	132	53%
Ireland	18	87	13	72%
Italy	105	222	6	6%
Kazakhstan	1	1	0	0%
Lithuania	1	1	1	100%
Luxembourg	2	200	1	50%
Moldova	1	1	0	0%
Monaco	1	2	0	0%
Netherlands	1	1	1	100%
Norway	4	4	4	100%
Poland	26	38	18	69%
Portugal	12	21	9	75%
Romania	19	19	15	79%
Russia	40	47	10	25%
Spain	543	615	361	66%
Sweden	9	10	6	67%
Switzerland	32	575	22	69%
Turkey	73	73	57	78%
United Arab Emirates	1	8	1	100%
United Kingdom	30	857	12	40%
Europe, Middle East, India, Africa Total	2,163	8,337	1,377	64%
Latin America				
Brazil	6	6	3	50%
Costa Rica	12	12	0	0%
Dominican Republic	2	2	0	0%
Latin America Total	20	20	3	15%
North America				
Canada	9	75	9	100%
Mexico	1	1	1	100%
United States of America	621	4,824	450	72%
North America Total	631	4,900	460	73%
Worldwide Total	3,711	18,261	2,432	66%

¹ Only countries / regions where Apple received financial identifier requests during report period January 1 - June 30, 2020, are listed.



of Financial Identifier Requests Received

The number of financial identifier-based requests received from a government agency seeking customer data related to specific financial identifiers, such as credit card or gift card number. Financial identifier-based requests can be in various formats such as subpoenas, court orders, warrants, or other valid legal requests. We count each individual request received from each country/region and report the total number of requests received by country/region.

of Financial Identifiers Specified in the Requests

The number of financial identifiers specified in the requests. One request may contain one or multiple financial identifiers. For example, in a case related to large scale fraud, law enforcement may seek information related to several credit card numbers in a single request. We count the number of financial identifiers identified in each request, received from each country/region, and report the total number of financial identifiers specified in requests received by country/region.

of Financial Identifier Requests Where Data Provided

The number of financial identifier-based requests that resulted in Apple providing data, such as transaction details, in response to a valid legal request. We count each financial identifier-based request where we provide data and report the total number of such instances by country/region.

% of Financial Identifier Requests Where Data Provided

The percentage of financial identifier-based requests that resulted in Apple providing data. We calculate this based on the number of financial identifier-based requests that resulted in Apple providing data per country/region, compared to the total number of financial identifier-based requests Apple received from that country/region.



Table 3: Worldwide Government Account Requests January 1 - June 30, 2020

Table 3 provides information regarding account-based requests received. Examples of such requests are where law enforcement agencies are working on cases where they suspect an account may have been used unlawfully or in violation of Apple's terms of service. Account-based requests generally seek details of customers' iTunes or iCloud accounts, such as a name and address; and in certain instances customers' iCloud content, such as stored photos, email, iOS device backups, contacts or calendars.

Country or Region ¹	# of Account Requests Received	# of Accounts Specified in the Requests	# of Account Requests Challenged in Part or Rejected in Full	# of Account Requests Where Only Non-Content Data Provided	# of Account Requests Where Content Data Provided	% of Account Requests Where Data Provided
Asia Pacific						
Australia	177	237	31	123	0	69%
China mainland	73	145	2	59	3	85%
Hong Kong	8	13	4	4	0	50%
Japan	487	723	41	397	0	82%
New Zealand	10	29	4	6	0	60%
Singapore	29	35	5	19	0	66%
South Korea	28	31	5	22	0	79%
Taiwan	382	805	33	323	0	85%
Thailand	2	2	0	0	0	0%
Asia Pacific Total	1,196	2,020	125	953	3	80%
Europe, Middle East, India, Africa						
Andorra	1	1	0	1	0	100%
Austria	9	16	8	2	0	22%
Belgium	17	20	0	14	0	82%
Czech Republic	8	10	1	7	0	88%
Denmark	1	1	1	1	0	100%
Estonia	3	5	0	3	0	100%
Finland	3	5	0	3	0	100%
France	230	313	42	160	1	70%
Germany	547	800	38	420	0	77%
Greece	2	2	0	2	0	100%
Hungary	5	10	2	2	0	40%
India	34	51	9	19	0	56%
Ireland	8	9	5	2	0	25%
Israel	5	5	1	3	0	60%
Italy	43	68	27	12	0	28%
Liechtenstein	1	1	0	1	0	100%
Lithuania	1	1	0	1	0	100%
Luxembourg	2	4	1	1	0	50%
Malta	5	9	3	2	0	40%
Monaco	1	2	1	0	0	0%
Netherlands	44	147	8	25	0	57%
North Macedonia	1	2	0	1	0	100%
Norway	4	4	0	3	0	75%
Poland	13	31	4	8	0	62%
Portugal	2	2	0	1	0	50%
Romania	1	1	0	1	0	100%
Russia	33	66	12	19	0	58%
Spain	52	120	8	32	0	62%
Sweden	77	116	2	66	1	87%
Switzerland	22	29	1	18	1	86%
Turkey	7	7	1	6	0	86%
United Kingdom	511	580	17	449	1	88%
Europe, Middle East, India, Africa Total	1,693	2,438	192	1,285	4	76%
Latin America						
Brazil	1,090	8,088	27	151	801	87%
Chile	11	13	5	6	0	55%
Costa Rica	1	1	0	1	0	100%
Latin America Total	1,102	8,102	32	158	801	87%
North America						
Canada	17	28	3	16	0	94%
Mexico	3	3	3	1	0	33%
United States of America	5,861	18,609	238	2,532	2,590	87%
North America Total	5,881	18,640	244	2,549	2,590	87%
Worldwide Total	9,872	31,200	593	4,945	3,398	85%

¹ Only countries / regions where Apple received account requests during report period January 1 - June 30, 2020, are listed.



of Account Requests Received

The number of account-based requests received from a government agency seeking customer data related to specific Apple account identifiers, such as Apple ID or email address. Account-based requests can be in various formats such as subpoenas, court orders, warrants, or other valid legal requests. We count each individual request received from each country/region and report the total number of requests received by country/region.

of Accounts Specified in the Requests

The number of accounts specified in the requests. One request may contain one or multiple account identifiers. For example, in a case related to suspected phishing, law enforcement may seek information related to several accounts in a single request. We count the number of accounts identified in each request, received from each country/region, and report the total number of accounts specified in requests received by country/region.

of Account Requests Challenged in Part or Rejected in Full

The number of account-based requests that resulted in Apple challenging the request in part, or rejecting the request in full, based on grounds such as a request does not have a valid legal basis, or is unclear, inappropriate, and/or over-broad. For example, Apple may reject a law enforcement request if it considers the scope of data requested as excessively broad for the case in question. We count each account-based request where we challenge it in part, or reject it in full, and report the total number of such instances by country/region.

of Account Requests Where Only Non-Content Data Provided

The number of account-based requests that resulted in Apple only providing non-content data, such as subscriber, account connections or transactional information, in response to a valid legal request. We count each account-based request where we provide only non-content data and report the total number of such instances by country/region.

of Account Requests Where Content Data Provided

The number of account-based requests that resulted in Apple providing content data, such as stored photos, email, iOS device backups, contacts or calendars, in response to a valid legal request. We count each account-based request where we provide content data and report the total number of such instances by country/region.

% of Account Requests Where Data Provided

The percentage of account-based requests that resulted in Apple providing either non-content and/or content data. We calculate this based on the number of account-based requests that resulted in Apple providing data (including both non-content and content) per country/region, compared to the total number of account-based requests Apple received from that country/region.



**Table 4: Worldwide Government Account Preservation Requests
January 1 - June 30, 2020**

Table 4 provides information regarding account preservation requests received. Under the U.S. Electronic Communications Privacy Act (ECPA) government agencies may request Apple to preserve users' account data by performing a one-time data pull of the requested existing user data available at the time of the request for 90 days (up to 180 days if Apple receives a renewal request). Examples of such requests are where law enforcement agencies suspect an account may have been used unlawfully or in violation of Apple's terms of service, and request Apple to preserve the account data while they obtain legal process for the data.

Country or Region ¹	# of Account Preservation Requests Received	# of Accounts Specified in the Requests	# of Accounts Where Data Preserved
Asia Pacific			
Australia	11	24	19
New Zealand	2	2	2
Singapore	1	1	1
Asia Pacific Total	14	27	22
Europe, Middle East, India, Africa			
Belgium	3	6	5
Finland	5	15	12
France	2	2	2
Germany	12	32	18
India	2	23	18
Ireland	4	12	8
Luxembourg	2	5	5
Netherlands	5	11	4
Norway	1	1	1
Poland	1	1	1
Spain	1	1	1
Sweden	6	7	7
Switzerland	1	2	2
Ukraine	2	2	2
United Kingdom	42	74	57
Europe, Middle East, India, Africa Total	89	194	143
Latin America			
Argentina	3	3	3
Brazil	127	578	369
Chile	1	3	1
Latin America Total	131	584	373
North America			
Canada	22	31	26
United States of America	3,495	9,164	6,295
North America Total	3,517	9,195	6,321
Worldwide Total	3,751	10,000	6,859

¹ Only countries / regions where Apple received account preservation requests during report period January 1 - June 30, 2020, are listed.

of Account Preservation Requests Received

The number of account preservation requests received from a government agency. We count each individual request received from each country/region and report the total number of requests received by country/region.

of Accounts Specified in the Requests

The number of accounts specified in the requests. One request may contain one or multiple account identifiers. For example, in a case related to suspected illegal activity, law enforcement may request Apple to preserve information related to several accounts in a single request. We count the number of accounts identified in each request, received from each country/region, and report the total number of accounts specified in requests received by country/region.

of Accounts Where Data Preserved

The number of accounts that resulted in Apple preserving data in response to a valid preservation request. We count the number of accounts in each request where data was preserved and report the total number of accounts for which data was preserved by country/region.



**Table 5: Worldwide Government Account Restriction/Deletion Requests
January 1 - June 30, 2020**

Table 5 provides information regarding account restriction/deletion requests received. Examples of such requests are where law enforcement agencies suspect an account may have been used unlawfully or in violation of Apple's terms of service, and request Apple to restrict or delete the account. For requests seeking to restrict/delete a customer's Apple ID, Apple requires a court order (including conviction or warrant) demonstrating that the account to be restricted/deleted was used unlawfully, except in situations where the case has been verified by Apple to relate to child endangerment.

Country or Region ¹	# of Account Restriction/ Account Deletion Requests Received	# of Accounts Specified in the Requests	# of Requests Rejected/ Challenged Where No Action Taken	# of Requests Where Account Restricted	# of Requests Where Account Deleted
Asia Pacific					
Australia	1	1	1	0	0
Asia Pacific Total	1	1	1	0	0
Europe, Middle East, India, Africa					
Austria ²	1	1	0	0	0
Germany	1	1	1	0	0
Sweden	1	1	1	0	0
Switzerland	1	1	1	0	0
Europe, Middle East, India, Africa Total	4	4	3	0	0
North America					
Canada ²	2	2	0	1	0
Mexico	1	1	1	0	0
United States of America	10	17	0	10	0
North America Total	13	20	1	11	0
Worldwide Total	18	25	5	11	0

¹ Only countries / regions where Apple received account restriction/deletion requests during report period January 1 - June 30, 2020, are listed.

² Request received where Apple had no results for the account identified in the request.

**# of Account
Restriction/Account
Deletion Requests
Received**

The number of requests received from a government agency seeking to restrict or delete a customer's Apple account. We count each individual request received from each country/region and report the total number of requests received by country/region.

**# of Accounts
Specified in the
Requests**

The number of accounts specified in the requests. One request may contain one or multiple account identifiers. For example, in a case related to possession or distribution of illegal material, law enforcement may request Apple to restrict or delete several accounts in a single request. We count the number of accounts identified in each request, received from each country/region, and report the total number of accounts specified in requests received by country/region.

**# of Requests
Rejected/
Challenged Where
No Action Taken**

The number of account restriction/deletion requests that resulted in Apple challenging or rejecting the request based on grounds such as a request does not have a valid legal basis, or is unclear, inappropriate, and/or over-broad, or where it is not accompanied by a court order (including conviction or warrant) demonstrating that the account to be restricted/deleted was used unlawfully; and where no action was taken by Apple. We count each account restriction/deletion request where we challenge or reject it and report the total number of such instances by country/region.

**# of Requests
Where Account
Restricted**

The number of requests where Apple determined the request and order sufficiently demonstrated the account to be restricted was used unlawfully and we proceeded with restriction. We count each request where we proceeded with account restriction and report the total number of such instances by country/region.

**# of Requests
Where Account
Deleted**

The number of requests where Apple determined the request and order sufficiently demonstrated the account to be deleted was used unlawfully and we deleted the Apple account. We count each request where we deleted an account and report the total number of such instances by country/region.



**Table 6: Worldwide Government Emergency Requests
January 1 - June 30, 2020**

Table 6 provides information regarding emergency requests received. Under the U.S. Electronic Communications Privacy Act (ECPA) government agencies may request Apple to voluntarily disclose information, including customer information and contents of communications, to a government entity if Apple believes in good faith that an emergency involving imminent danger of death or serious physical injury to any person requires such disclosure without delay. International agencies may make similar requests to Apple under applicable local law. Examples of such requests are where a person may be missing and law enforcement believes the person may be in danger. Emergency requests generally seek details of customers' connections to Apple services.

Country or Region ¹	# of Emergency Requests Received	# of Requests Rejected/Challenged & No Data Provided	# of Emergency Requests Where No Data Provided	# of Emergency Requests Where Data Provided	% of Emergency Requests Where Data Provided
Asia Pacific					
Australia	11	1	2	8	73%
Japan	10	0	0	10	100%
Singapore	1	0	0	1	100%
Taiwan	10	0	0	10	100%
Asia Pacific Total	32	1	2	29	91%
Europe, Middle East, India, Africa					
Austria	6	0	3	3	50%
Czech Republic	1	0	0	1	100%
France	11	0	0	11	100%
Germany	22	0	3	19	86%
India	4	0	1	3	75%
Iraq	1	0	0	1	100%
Israel	2	0	0	2	100%
Italy	4	0	0	4	100%
Lithuania	1	0	0	1	100%
Netherlands	8	0	1	7	88%
Nigeria	1	0	0	1	100%
Norway	3	0	0	3	100%
Poland	4	0	0	4	100%
Portugal	1	0	0	1	100%
Spain	1	0	0	1	100%
Switzerland	19	0	4	15	79%
Turkey	1	0	0	1	100%
United Kingdom	333	22	27	284	85%
Europe, Middle East, India, Africa Total	423	22	39	362	86%
Latin America					
Brazil	7	0	0	7	100%
Chile	3	0	0	3	100%
Latin America Total	10	0	0	10	100%
North America					
Canada	62	0	5	57	92%
Mexico	3	0	0	3	100%
United States of America	240	2	17	221	92%
North America Total	305	2	22	281	92%
Worldwide Total	770	25	63	682	89%

¹ Only countries / regions where Apple received emergency requests during report period January 1 - June 30, 2020, are listed.



of Emergency Requests Received

The number of emergency requests received from a government agency. We count each individual request received from each country/region and report the total number of requests received by country/region.

of Requests Rejected/Challenged & No Data Provided

The number of emergency requests that resulted in Apple challenging or rejecting the request based on grounds such as a request is unclear, inappropriate, or fails to demonstrate that it relates to an emergency circumstance; and where no data was provided. We count each emergency request where we challenge or reject it and report the total number of such instances by country/region.

of Emergency Requests Where No Data Provided

The number of emergency requests that resulted in Apple providing no data. For example, instances where there was no responsive data. We count each emergency request where we do not provide data and report the total number of such instances by country/region.

of Emergency Requests Where Data Provided

The number of emergency requests that resulted in Apple providing data, such as connections to Apple services, subscriber or transactional information, or in certain instances customers' iCloud content, such as stored photos, email, iOS device backups, contacts or calendars, in response to a valid emergency request. We count each emergency request where we provide data and report the total number of such instances by country/region.

% of Emergency Requests Where Data Provided

The percentage of emergency requests that resulted in Apple providing data. We calculate this based on the number of emergency requests that resulted in Apple providing data per country/region, compared to the total number of emergency requests Apple received from that country/region.



**Table 7: United States Government National Security Requests
January 1 - June 30, 2020**

Table 7 provides information regarding United States national security requests that Apple received for customer data, including orders received under the Foreign Intelligence Surveillance Act ("FISA") and National Security Letters ("NSLs"). To date, Apple has not received any orders for bulk data.

We report national security requests received for Apple users/accounts (NSLs and orders received under FISA) within ranges permissible by law pursuant to the USA FREEDOM Act of 2015 ("USA Freedom"). In order to report FISA non-content and content requests in separate categories, Apple is required by law to delay reporting by 6 months and report in bands of 500. Though we want to be more specific, this is currently the range permitted under USA Freedom for reporting this level of detail regarding national security requests. Apple responds to National Security FISA content requests with information obtained from iCloud. Under the law, Apple cannot further disclose what information or data may be sought through these requests.

National Security Request Type	# of Requests Received	# of Users/Accounts
FISA Non-Content Requests	0 - 499	11,000 - 11,499
FISA Content Requests	0 - 499	20,500 - 20,999
National Security Letters	1 - 499	1 - 499
National Security Letters where non-disclosure order lifted	1	

The below table identifies the National Security Letters received during this reporting period where the non-disclosure orders have been lifted and public disclosure is permitted. See [Apple's Transparency website](#) for redacted PDFs of these National Security Letters.

National Security Letter #	Issue Date	Non-Disclosure Order End Date
NSL-20-508552	5/14/20	2/5/21

National Security Request Type

FISA Non-Content & Content Requests: FISA Court issued orders for non-content or content data. Non-content data is data such as subscriber or transactional information and connection logs. Content data is data such as stored photos, email, iOS device backups, contacts or calendars.

National Security Letters: Federal Bureau of Investigation issued requests for non-content data in national security investigations. Non-content data is data such as subscriber data. Apple does not produce transactional information and connection logs in response to National Security Letters.

of Requests Received

The number of United States National Security requests received. We count each individual order and National Security Letter received for Apple users/accounts and report the total number of orders and National Security Letters received within bands/ranges permissible by law. Pursuant to USA Freedom, to report the number of non-content and content orders received, we are limited to providing this data in bands of 500.

of Users/Accounts

We count the number of users/accounts in each request received for which Apple has data and report the total number of users/accounts within bands permissible by law. Pursuant to USA Freedom, we are limited to providing this data in bands of 500.

National Security Letter #

Government-issued reference number assigned when a National Security Letter is approved and signed by a Federal Bureau of Investigation Special Agent in Charge.

Issue Date

Date the National Security Letter was approved and signed by the Special Agent in Charge.

Non-Disclosure Order End Date

Date where a non-disclosure order for a specific National Security Letter is lifted and public disclosure of the National Security Letter is permitted.



**Tables 8, 9, 10: United States Government Requests by Legal Process Type
January 1 - June 30, 2020**

Tables 8, 9, and 10 provide information regarding United States requests by legal process type. Legal process types can be Search Warrants, Wiretap Orders, Pen Register/Trap and Trace Orders, Other Court Orders, or Subpoenas.

Table 8: United States Government Device Requests by Legal Process Type

Table 8 provides information regarding the types of legal process Apple received as Device Requests.

# of Device Requests	Search Warrants	Wiretap Orders	Pen Register/Trap & Trace Orders	Other Court Orders	Subpoenas
4,641	646	N/A	7	153	3,835
% of Total (100%)	14%	-	~0%	3%	83%

Table 9: United States Government Financial Identifier Requests by Legal Process Type

Table 9 provides information regarding the types of legal process Apple received as Financial Identifier Requests.

# of Financial Identifier Requests	Search Warrants	Wiretap Orders	Pen Register/Trap & Trace Orders	Other Court Orders	Subpoenas
621	96	N/A	0	48	477
% of Total (100%)	15%	-	0%	8%	77%

Table 10: United States Government Account Requests by Legal Process Type

Table 10 provides information regarding the types of legal process Apple received as Account Requests.

# of Account Requests	Search Warrants	Wiretap Orders	Pen Register/Trap & Trace Orders	Other Court Orders	Subpoenas
5,861	2,893	0	61	455	2,452
% of Total (100%)	49%	0%	1%	8%	42%



**# of Device/
Financial Identifier/
Account Requests**

The total number of United States government requests Apple received by request type (Device, Financial Identifier, and Account). We count each individual request received from the United States by request type and report the total number of requests received by request type.

Search Warrants

A search warrant is a judicial document used in a criminal case authorizing law enforcement officers to search a person or place to obtain evidence. The Fourth Amendment requires that law enforcement officers obtain search warrants by submitting affidavits and other evidence to a judge or magistrate to meet a burden of proof that a search will yield evidence related to a crime. The judge or magistrate will issue the warrant if satisfied that the law enforcement officers have met the burden of proof. For customer content, Apple requires a search warrant issued upon a showing of probable cause in order to provide content.

Wiretap Orders

A wiretap order is a specific type of court order used in a criminal case that authorizes law enforcement officers to obtain contents of communications in real-time. A Title III wiretap order includes requirements that law enforcement officers make an application and furnish evidence to a judge or magistrate to demonstrate there is probable cause to believe that interception of communications will yield evidence related to a particular crime, there is probable cause to believe that an individual has committed or is about to commit a particular crime and must specifically identify the individual/target whose communications are to be intercepted. A statement must also be included as to whether other investigatory measures have been tried and failed or are unlikely to succeed. If satisfied that the requirements have been met, the judge or magistrate will issue the wiretap order. A wiretap order allows the government to obtain content on a forward-looking basis for a specific limited period of time as opposed to stored historical content. Apple can intercept users' iCloud email communications upon receipt of a valid Wiretap Order. Apple cannot intercept users' iMessage or FaceTime communications as these communications are end-to-end encrypted.

**Pen Register/Trap &
Trace Orders**

A pen register or trap and trace order is a specific type of court order used in a criminal case authorizing law enforcement officers to obtain headers of electronic communications and other non-content data in real-time. A pen register order requires law enforcement officers to make a statement of the offense to which the pen register relates and certify the information likely to be obtained is relevant/material to an ongoing criminal investigation. The legal standard for obtaining a pen register order is lower than what is required for a search warrant or a wiretap order. A pen register order allows the government to obtain non-content data on a forward-looking basis for a specific limited period of time as opposed to stored historical information. A pen register order can be combined with a court order/warrant for historical records; in such instances, we report the process type as pen register/trap and trace order.

Other Court Orders

A court order is a document issued by a judge or magistrate directing a person or entity to comply with the order. An order may be issued in either a criminal or civil case. Government agencies applying for an order in a criminal case must generally present facts and evidence to a judge or magistrate showing there are reasonable grounds to believe that the information sought is relevant and material to an ongoing criminal investigation or similar legal standard. Non-content data such as subscriber and transaction information can be provided in response to a court order.

Subpoenas

A subpoena or equivalent legal process request (e.g. petition or summons) is a document issued by a government agency or court directing a person or entity to comply with requests for information. Local, state and federal government agencies may issue subpoenas. Under many jurisdictions, a judge or magistrate is not required to review a subpoena before it is issued. Accordingly, the subpoena has the lowest threshold for burden of proof. A subpoena may be issued in either a criminal or civil case. Non-content data such as device, subscriber and connection information can be provided in response to a subpoena.

% of Total

The percentage of requests by Legal Process Type. We calculate this based on the number of respective Legal Process Types compared to the respective total number of Device/Financial Identifier/Account Requests received by Apple.



**Table 11: United States Private Party Requests for Information
January 1 - June 30, 2020**

Table 11 provides information regarding United States private party (non-government) requests for information. Examples of such requests are where private litigants are involved in either civil or criminal proceedings. Apple complies with these requests insofar as we are legally required to do so.

# of Private Party Requests	# of Requests Rejected/ Challenged & No Data Provided	# of Requests Where No Data Provided	# of Requests Where Data Provided
221	47	126	48
% of Total (100%)	21%	57%	22%

of Private Party Requests The number of requests received from private parties (non-government) in the United States seeking customer data related to specific devices, financial identifiers and/or accounts. We count each individual request received from private parties and report the total number of requests received.

of Requests Rejected/Challenged & No Data Provided The number of private party requests that resulted in Apple challenging or rejecting the request based on grounds such as a request does not have a valid legal basis, or is unclear and/or over-broad; and where no data was provided. We count each private party request where we challenge or reject it in full, and report the total number of such instances.

of Requests Where No Data Provided The number of private party requests that resulted in Apple providing no data. For example, where there was no responsive data. We count each instance where we do not provide data in response to a private party request and report the total number of such instances.

of Requests Where Data Provided The number of private party requests that resulted in Apple providing data in response to valid legal process or subscriber consent. We count each instance where we provide data in response to a private party request and report the total number of such instances.

% of Total The percentages are calculated based on the number of the respective response types compared to the total number of private party requests received by Apple.



**Table 12: United States Private Party Requests for Account Restriction/Deletion
January 1 - June 30, 2020**

Table 12 provides information regarding United States private party (non-government) requests for Apple account restriction/deletion. Examples of such requests are where private litigants are involved in either civil or criminal proceedings, and requests for Apple to restrict/delete an account may arise. For requests seeking to restrict/delete a customer’s Apple ID, Apple requires a court order. Apple complies with these requests insofar as we are legally required to do so.

# of Account Restriction/ Account Deletion Requests Received	# of Accounts Specified in the Requests	# of Requests Rejected/ Challenged Where No Action Taken	# of Account Restriction Requests Where Account Restricted	# of Account Deletion Requests Where Account Deleted
1	3	0	1	0

**# of Account
Restriction/Account
Deletion Requests
Received**

The number of requests received from private parties (non-government), such as participants in a civil or family law case, seeking to restrict or delete a customer’s Apple ID. We count each individual request received from private parties and report the total number of requests received.

**# of Accounts
Specified in the
Requests**

The number of accounts specified in the requests. One request may contain one or multiple account identifiers. For example, in a case related to multiple shared accounts, a private party may request Apple to restrict or delete several accounts in a single request. We count the number of accounts identified in each request received from private parties and report the total number of accounts specified in requests received.

**# of Requests
Rejected/Challenged
Where No Action
Taken**

The number of account restriction/deletion requests that resulted in Apple challenging or rejecting the request based on grounds such as a request does not have a valid legal basis, or is unclear, inappropriate, and/or over-broad, or where it is not accompanied by a court order demonstrating the grounds upon which the account is to be restricted/deleted; and where no action was taken by Apple. We count each account restriction/deletion request where we challenge or reject it and report the total number of such instances.

**# of Account
Restriction Requests
Where Account
Restricted**

The number of account restriction requests where Apple determined the request and order sufficiently demonstrated the grounds upon which the specified account was to be restricted; and we proceeded with the requested restriction. We count each account restriction request where we proceeded with restriction and report the total number of such instances.

**# of Account
Deletion Requests
Where Account
Deleted**

The number of account deletion requests where Apple determined the request and order sufficiently demonstrated the grounds upon which the specified account was to be deleted; and we deleted the Apple account. We count each account deletion request where we deleted an account and report the total number of such instances.



**Table 13: Worldwide Government App Store Takedown Requests - Legal Violations
January 1 - June 30, 2020**

Table 13 provides information regarding requests from government authorities to remove apps from the App Store based on alleged/suspected violations of local law. Examples of such requests are where law enforcement or regulatory agencies suspect an app may be unlawful or relate to/contain unlawful content. Apple complies with these requests insofar as we are legally required to do so.

(App removals were limited to requesting country/region App Store storefront, except if indicated otherwise in the footnotes)

Country or Region ¹	# of Legal Violation Takedown Requests Received	# of Apps Specified in the Requests	# of Requests Objected to in Part or Rejected in Full	# of Requests Where App Removed	# of Apps Removed	# of Appeals Received	# of Appeals Granted	# of Apps Reinstated
Asia Pacific								
China mainland ²	46	152	0	46	152	0	0	0
Sri Lanka ³	1	1	0	1	1	0	0	0
Taiwan ⁴	1	1	0	1	1	1	1	1
Asia Pacific Total	48	154	0	48	154	1	1	1
Europe, Middle East, India, Africa								
Germany ⁵	1	1	0	1	1	0	0	0
India ⁶	2	38	0	2	38	0	0	0
Norway ⁴	1	34	0	1	34	0	0	0
Russia ⁷	3	4	0	3	4	0	0	0
Switzerland ⁴	1	8	0	1	8	0	0	0
Europe, Middle East, India, Africa Total	8	85	0	8	85	0	0	0
Worldwide Total	56	239	0	56	239	1	1	1

¹ Only countries / regions where Apple received legal violation removal requests during report period January 1 - June 30, 2020, are listed.

² Requests predominantly related to apps with pornography or other illegal content.

³ Request related to app with illegal content.

⁴ Request related to gaming or gambling app(s) not complying with regulations.

⁵ Request related to app failing to meet medical device law requirements. App removed from the 27 EU member states and the United Kingdom.

⁶ Requests predominantly related to apps identified as state security violations.

⁷ Requests related to apps operating without government license, predominantly gambling apps.



# of Legal Violation Takedown Requests Received	The number of requests received from a government agency seeking to take down a third party application offered on the App Store related to alleged/suspected legal violations. We count each individual request received from each country or region and report the total number of requests received by country or region.
# of Apps Specified in the Requests	The number of apps specified in the requests verified to be apps available on the App Store. A government agency request may contain one or multiple apps. We count the number of apps identified in each request received from each country or region and report the total number of apps specified in requests received by country or region.
# of Requests Objected to in Part or Rejected in Full	The number of app takedown requests related to alleged/suspected legal violations that resulted in Apple objecting to or rejecting the request in part or in full based on grounds such as a request does not have a valid legal basis, or is unclear, inappropriate and/or over-broad, or does not sufficiently demonstrate the legal violation of the app to be removed. We count each App Store takedown request related to alleged/suspected legal violations where we object in part or reject in full and report the total number of such instances by country or region.
# of Requests Where App Removed	The number of App Store takedown requests where the request sufficiently demonstrated a valid legal violation and Apple proceeded with removal of app(s) from the App Store. We count each app takedown request related to alleged/suspected legal violations where we proceeded with app removal and report the total number of such instances by country or region.
# of Apps Removed	The number of App Store takedown requests where the request sufficiently demonstrated a valid legal violation and Apple proceeded with removal of app(s) from the App Store. We count each app takedown request related to alleged/suspected legal violations where we proceeded with app removal and report the total number of apps removed in such instances by country or region.
# of Appeals Received	The number of App Store takedown requests where Apple received notice of an appeal to court or government agency. We count each app takedown appeal related to alleged/suspected legal violations.
# of Appeals Granted	The number of App Store takedown requests where Apple received notice of a court or government agency granting an appeal to the takedown request. We count each app takedown appeal granted that related to alleged/suspected legal violations.
# of Apps Reinstated	The number of apps reinstated to the App Store due to a court or government agency appeal being granted. We count each app reinstated from app removal related to alleged/suspected legal violations.



**Table 14: Worldwide Government App Store Takedown Requests - Platform Policy Violations
January 1 - June 30, 2020**

Table 14 provides information regarding requests from government authorities to remove apps from the App Store based on alleged/suspected violations of App Store platform policies. Examples of such requests are where law enforcement or regulatory agencies suspect an app may violate the App Store platform policies or relate to/contain content violating platform policies. Apple complies with these requests where Apple has determined there is an App Store platform policy violation.

(App removals were worldwide)

Country or Region ¹	# of Platform Policy Violation Takedown Requests Received	# of Apps Specified in the Requests	# of Requests Objected to in Part or Rejected in Full	# of Requests Where App Removed	# of Apps Removed	# of Appeals Received	# of Appeals Granted	# of Apps Reinstated
Asia Pacific								
China mainland ²	16	38	0	16	38	0	0	0
Asia Pacific Total	16	38	0	16	38	0	0	0
Europe, Middle East, India, Africa								
Kuwait ³	1	1	0	1	1	0	0	0
Europe, Middle East, India, Africa Total	1	1	0	1	1	0	0	0
Worldwide Total	17	39	0	17	39	0	0	0

¹ Only countries / regions where Apple received platform violation removal requests during report period January 1 - June 30, 2020, are listed.

² Requests related to gambling apps and an app with pornographic content violating App Store Review Guidelines.

³ Request related to an app violating App Store Review Guideline(s).



# of Platform Policy Violation Takedown Requests Received	The number of requests received from a government agency seeking to take down a third party application offered on the App Store related to alleged/suspected platform policy violations. We count each individual request received from each country or region and report the total number of requests received by country or region.
# of Apps Specified in the Requests	The number of apps specified in the requests verified to be apps available on the App Store. A government agency request may contain one or multiple apps. We count the number of apps identified in each request received from each country or region and report the total number of apps specified in requests received by country or region.
# of Requests Objected to in Part or Rejected in Full	The number of app takedown requests related to alleged/suspected platform policy violations that resulted in Apple objecting to or rejecting the request in part or in full based on grounds such as a request does not have a valid legal basis, or is unclear, inappropriate and/or over-broad, or does not sufficiently demonstrate the platform policy violation of the app to be removed. We count each App Store takedown request related to alleged/suspected platform policy violations where we object in part or reject in full and report the total number of such instances by country or region.
# of Requests Where App Removed	The number of App Store takedown requests where Apple determined the request sufficiently demonstrated a valid App Store platform policy violation and Apple proceeded with removal of app(s) from the App Store. We count each app takedown request related to alleged/suspected platform policy violations where we proceeded with app removal and report the total number of such instances by country or region.
# of Apps Removed	The number of App Store takedown requests where Apple determined the request sufficiently demonstrated a valid App Store platform policy violation and Apple proceeded with removal of app(s) from the App Store. We count each app takedown request related to alleged/suspected platform policy violations where we proceeded with app removal and report the total number of apps removed in such instances by country or region.
# of Appeals Received	The number of App Store takedown requests where Apple received notice of an appeal to court or government agency. We count each app takedown appeal related to alleged/suspected platform policy violations.
# of Appeals Granted	The number of App Store takedown requests where Apple received notice of a court or government agency granting an appeal to the takedown request. We count each app takedown appeal granted that related to alleged/suspected platform policy violations.
# of Apps Reinstated	The number of apps reinstated to the App Store due to a court or government agency appeal being granted. We count each app reinstated from app removal related to alleged/suspected platform policy violations.



Matters of note in this report:

Government requests related to customer data / accounts

Table 1 Worldwide Government Device Requests

China mainland - High number of devices specified in requests predominantly due to tax and customs investigations.

Denmark - High number of devices specified in requests predominantly due to a cargo theft investigation.

Germany - High volume of device requests predominantly due to stolen device investigations.

Hungary - High number of devices specified in requests predominantly due to a tax fraud investigation from Tax and Customs Authorities.

South Africa - High number of devices specified in requests predominantly due to stolen device investigations.

South Korea - High number of devices specified in requests predominantly due to stolen device investigations.

Sweden - High number of devices specified in requests predominantly due to a cargo theft investigation.

United States - High number of devices specified in requests predominantly due to return and repair fraud investigations.

Table 2 Worldwide Government Financial Identifier Requests

China mainland - High number of financial identifiers specified in requests predominantly due to an investigation of unauthorized access to App Store & iTunes Gift Cards.

Germany - High volume of financial identifier requests predominantly due to App Store & iTunes Gift Card and credit card fraud investigations.

Luxembourg - High number of financial identifiers specified in requests predominantly due to App Store & iTunes Gift Cards related to a financial fraud investigation.

Spain - High volume of financial identifier requests predominantly due to App Store & iTunes Gift Card and credit card fraud investigations.

United Kingdom - High number of financial identifiers specified in requests predominantly due to a tax fraud investigation.

United States - High number of financial identifiers specified in requests predominantly due to a trade-in fraud investigation.

Table 3 Worldwide Government Account Requests

Brazil - High volume of account requests predominantly due to court orders where investigation type was not indicated and non-violent crime or drug investigations.

United States - High volume of account requests with no predominant investigation type.

Mutual Legal Assistance Treaty (MLAT) Requests

Requests received from a foreign government pursuant to the MLAT process or through other cooperative efforts with the United States government are included in Apple's transparency report. Apple has been able to determine 6 MLAT requests for information were issued by the United States government in this reporting period. However, this may not be the precise number of MLAT requests received, as in some instances a United States court order or search warrant may not indicate that it is the result of an MLAT request. In instances where the originating country was identified, we count and report the MLAT request under the country of origin. In instances where the originating country was not identified, we count and report the request under the United States of America.



Matters of note in this report:

Government requests related to app removals

Table 13 Worldwide Government App Store Takedown Requests - Legal Violations

China mainland - Requests predominantly related to apps with pornography or other illegal content.

Germany - Request related to app failing to meet medical device law requirements. App removed from the 27 EU member states and the United Kingdom.

India - Requests predominantly related to apps identified as state security violations.

Norway - Request related to gambling apps not complying with regulations.

Russia - Requests related to apps operating without government license, predominantly gambling apps.

Sri Lanka - Request related to app with illegal content.

Switzerland - Request related to illegal gambling apps.

Taiwan - Request related to gaming app not complying with regulations. Developer resolved issue and submitted appeal to agency. Agency provided approval for app to be restored.

Table 14 Worldwide Government App Store Takedown Requests - Platform Policy Violations

China mainland - Requests related to gambling apps and app with pornographic content violating App Store Review Guidelines.

Kuwait - Request related to app violating App Store Review Guideline(s).

SANFORD J. LEWIS, ATTORNEY

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November 2, 2021
Via electronic mail

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Shareholder Proposal to Apple Inc. Regarding Transparency Report on Behalf of Azzad Asset Management

Ladies and Gentlemen:

Azzad Asset Management (the “Proponent”) is beneficial owner of common stock of Apple Inc. (the “Company”) and has submitted a shareholder proposal (the “Proposal”) to the Company. I have been asked by the Proponent to respond to the letter dated October 18, 2021 (“Company Letter”) sent to the Securities and Exchange Commission by Sam Whittington, Assistant Secretary. In that letter, the Company contends that the Proposal may be excluded from the Company’s 2022 proxy statement. A copy of this letter is being emailed concurrently to Mr. Whittington.

SUMMARY

According to the New York Times, since 2017 roughly 55,000 active apps have *disappeared* from Apple’s Chinese App Store. The vast majority of these apps were apparently removed from the store by Apple staff or algorithms in *anticipation of concern* of the Chinese government, and *without even a direct takedown request from that government*.

The *New York Times* reporting also made it clear that many of the apps disappearing from the App Store were likely to have been tools used by dissidents for organizing pro-democracy protests or for access to information and communications that skirt China’s Internet restrictions. The voluntary elimination of these apps by Apple raises fundamental questions about the Company’s stated commitment to human rights, including freedom of expression and access to information.

Twice annually, Apple publishes a Transparency Report regarding requests for customer data by more than 100 governments. That reporting, since 2018, has quantified the total number of government requests by region for app takedowns based on “legal” or “platform policy” violations. The number of app removals in that report are in the hundreds, compared with the 55,000 “disappearing” apps that the *New York Times* reported. Apparently, the report does not even quantify the number of proactive removals by Apple — reportedly thousands upon thousands of apps — without being asked to do so by China or other governments.

The Proposal (appended to this letter) requests that the Company fill information gaps in the Transparency Reports — including *what kind* of apps the Company has removed from the App Store and the extent to which company-initiated or government requested app removals from the Apple App store “may reasonably be expected to limit freedom of expression or access to information.” This request applies not only to China but to the more than 100 countries in which Apple devices are sold.

The Company Letter asserts that the Transparency Reports substantially implement the Proposal. However, the nominal qualifications shed no light on this question, and are unresponsive to the proposal. The company’s existing Transparency Reports fail to provide any transparency on where and how human rights to freedom of speech and access to information are being stifled by app removals. For the most part, the Transparency Reports do not disclose *what kind* of apps were removed and *whether the company viewed the particular apps* as affecting freedom of expression or access to information. The existing Transparency Reports refer to violation of “legal requirements” or “policy” without characterizing the types of apps removed, or the impact on freedom of speech and access to information. Moreover, the Transparency Reports do not shed any light whatsoever on the “proactive” app removals by the company which appear to be a far larger number of removals than those directly “requested” by government.

Therefore, the Proposal is not substantially implemented.

BACKGROUND

The current Proposal stems from shareholders’ desire to understand whether and how Apple’s Transparency Reports accurately reflect implementation of the Company’s human rights policy globally, especially as authoritarian governments - including countries such as China and Russia - attempt to exercise more control of the Internet and in the process deny freedom of expression to millions of people who use Apple devices.

A critical element in those relationships is the App Store, which enables Apple device users to download a wide variety of apps affecting every aspect of daily life. Since 2013, Apple has published a twice-yearly Transparency Report which provides “information on government requests received”; data on app removals *directly requested by governments* has been included in the reports since 2018.

In its human rights policy, Apple says:¹

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, including content and services, available to our users in a way that respects their human rights. We’re required to comply with local

¹ https://s2.q4cdn.com/470004039/files/doc_downloads/gov_docs/Apple-Human-Rights-Policy.pdf

laws, and at times there are complex issues about which we may disagree with governments and other stakeholders on the right path forward.

Recently it has come to light through a *New York Times* investigation that 55,000 apps have “disappeared” from the Chinese App Store since 2017, apparently because Apple staff or Apple algorithms are removing the apps in anticipation of concern by Chinese officials. A similar pattern may also be occurring in other authoritarian countries such as Russia. Yet, the Company has provided no transparency as to the portion of the app removals that may have undercut political dissent, freedom of expression and access to information by the Chinese people. As stated in the Proposal:

Shareholders are deeply concerned about a material failure in Apple’s transparency reporting that seemingly highlights a contradiction between Apple’s human rights policy and its actions regarding China and its occupied territories, which represent almost a third of Apple’s customer base. This poses significant legal, reputational and financial risk to Apple and its shareholders.

The *New York Times* reports that Apple has “constructed a bureaucracy that has become a powerful tool in China’s vast censorship operation” and that the Company has not disclosed its proactive removal of as many as 55,000 apps from the China App Store in less than five years.² Those removals are not reflected in Apple’s Transparency Reports.

But Apple’s actions in other countries - and its Transparency Reports - have also generated significant concern. By not providing greater detail and context for app removals, Apple fails to signal the impact and gravity of many of the Company’s actions. In Russia, for example, the most recent Transparency Report notes only a generic “legal” reason for multiple app removals: “Requests related to apps operating without government license, predominantly gambling apps.”

The report contains no mention of the Russian government’s attempts to stifle dissent. Under current reporting guidelines and format, Apple would be unlikely to report that in September 2021, for example, the Company removed an opposition voting app from its App Store just as balloting began in Russia’s parliamentary election, “bowing to pressure from President Vladimir Putin’s censorship office in a move digital rights activists blasted as Silicon Valley’s latest act of capitulation to an authoritarian government,” according to the Washington Post.³

While Apple states that its policy is to “comply with local laws” in countries around the globe, some experts note that the Company often confronts extra-legal pressure from governments. Benjamin Ismail, project director at Apple Censorship, an organization that tracks which apps are available, and where, said:⁴

Recently Apple has been removing many apps at the demand of the Chinese authorities. But complying with governments’ orders is different than complying with law, especially

² <https://www.nytimes.com/2021/05/17/technology/apple-china-censorship-data.html>

³ <https://www.washingtonpost.com/business/2021/09/17/navalny-google-apple-app-russia/>

⁴ <https://dnyuz.com/2021/10/20/yahoo-news-app-one-of-the-last-sources-of-western-news-in-china-is-removed-from-apple-store-amid-censorship-drive/>

in China, where the authorities often resort to extralegal means to muzzle the press, bloggers, activists or any dissenting voices.

Further, by refusing to provide appropriate context regarding which apps are being removed from the App Store and the reason for their removal, Apple fails to live up to its human rights commitment to “dialogue” and “the power of engagement,” creating significant risks for the Company and its shareholders.

As the Washington Post noted on October 18, 2021:⁵

Last week, the makers of a globally popular Koran app said Apple had kicked them off its app store in China. The app is used by millions of Muslims around the world to study the Koran and track prayer times. Though Islam is legal in China, the government has for years been attempting to limit the activities of those living in the predominantly Muslim region of Xinjiang, taking steps like arresting imams and detaining hundreds of thousands of people in camps where they are sometimes tortured.

In that context, removing a Koran app looks like Apple yielding to a government attempt to harass Muslims in the country.

The Proponent believes Apple’s Transparency Reports fail to reflect the company’s purported commitment to “an open society in which information flows freely,” “dialogue” and “a belief in the power of engagement.” Instead of living up to these ideals, the company itself is mimicking the practices of the authoritarian countries, by providing scant numerical detail about a tiny fraction of app removals and omitting critical qualitative and contextual information regarding the removal of large numbers of apps.

Civil Society Concerns

An August 2021 report by The Citizen Lab⁶ noted:

In July 2017, Apple purged its Chinese App Store of major VPN apps, tools that might be used to circumvent China’s national censorship firewall. By May 2021, Apple had reportedly taken down tens of thousands of apps from its Chinese App Store, including foreign news outlets, gay dating services, and encrypted messaging apps, as well as an app that allows protesters to track the police from its Hong Kong App Store. According to Apple’s own transparency reports, the company has removed nearly 1,000 apps in mainland China over the past few years as per government requests. However, observers note that Apple is often doing more than just the bare minimum to comply with China’s laws and regulations, as it has “built a system that is designed to proactively take down

⁵ <https://www.washingtonpost.com/politics/2021/10/18/days-us-tech-companies-fighting-back-against-authoritarian-regimes-are-long-gone/>

⁶ The Citizen Lab is an interdisciplinary laboratory based at the Munk School of Global Affairs & Public Policy, University of Toronto, focusing on research, development, and high-level strategic policy and legal engagement at the intersection of information and communication technologies, human rights, and global security. <https://citizenlab.ca/about/>

apps — without direct orders from the Chinese government — that Apple has deemed off limits in China, or that Apple believes will upset Chinese officials.” Advocacy groups argue that Apple’s app censorship exceeds that required by Chinese law and that Apple’s real concern is to not “offend the Chinese government.”⁷ [Emphasis added]

Citizen Lab continues:

[W]e analyze Apple’s censorship practices in six regions—mainland China, Hong Kong, Taiwan, Japan, Canada, and the United States—for a comparative look into whether and how the global company moderates content on its products, including the extent to which the company politically censors product engravings. Across all six regions, we found that Apple’s content moderation practices pertaining to derogatory, racist, or sexual content are inconsistently applied and that Apple’s public-facing documents failed to explain how it determines the keyword lists. Within mainland China, we found that Apple censors political content including broad references to Chinese leadership, China’s political system, names of dissidents, independent news organizations, and general terms relating to democracy and human rights. Moreover, we found that much of this political censorship bleeds into both Hong Kong and Taiwan. Some of the censorship exceeds Apple’s legal obligations in Hong Kong, and we are aware of no legal justification for the political censorship of content in Taiwan.” [Emphasis added.]

Similarly, the research organization Ranking Digital Rights, in its 2020 Corporate Accountability Index, concluded:⁸

Apple lacked transparency about its process for removing apps from the App Store for violations to iOS rules.

Beyond China - LGBTQ+ Censorship in Numerous Countries

Outside of China, Apple has also faced criticism from civil society groups for censoring LGBTQ+ content in its App Store in over 150 countries. Popular LGBTQ+ and dating apps such as Grindr, Taimi, and OkCupid are unavailable in more than 20 countries.

A June 2021 report by U.S.-based Fight for the Future and China-based GreatFire found:

Apple has been enabling government censorship of LGBTQ+ content, most directly 1,377 documented cases of app access restrictions, in 152 App Stores around the world. Moreover, at least 50 LGBTQ+ apps, including the majority of the most popular ones, are currently unavailable in one or more App Stores. Most of the App Stores where the most number of apps are blocked, coincide with countries already low on the list for human rights for the queer community.⁹

⁷ <https://citizenlab.ca/2021/08/engrave-danger-an-analysis-of-apple-engraving-censorship-across-six-regions>

⁸ <https://rankingdigitalrights.org/index2020/companies/Apple>

LGBTQ+ organizations have noted that Apple’s track record in removing apps outside of the United States is in sharp contrast to the company’s pro-LGBTQ+ stance in the United States. Apple’s current website declares:

“We’re all in. Across Apple, we’ve strengthened our long-standing commitment to making our company more inclusive and the world more just. Where every great idea can be heard. And everybody belongs.”¹⁰

Investors view these as Highly Significant Issues

In 2020 40% of voting investors at Apple supported a shareholder proposal that involved a request for a report on policies and oversight mechanisms relating to the company’s policies on freedom of been expression and access to information. The background section of the 2020 proposal focused substantially on the issue of government requested app removals including in China.¹¹

In support of the 2020 proposal, Institutional Shareholder Services noted that the “quantitative approach to the company’s transparency report provides little context for the app removal requests from the Chinese government or explanation of the risks that may be involved.”¹²

The current Proposal will allow investors to vote on whether the Company should provide better disclosure of the impact of its app removals on freedom of expression and access to information and congruency of those removals with the company’s stated commitments to human rights.

I. THE PROPOSAL IS NOT EXCLUDABLE PURSUANT TO RULE 14A-8(i)(10).

The Company argues that the Proposal may be excluded from the 2022 proxy materials under Rule 14a-8(i)(10). In order for the Company to meet its burden of proving substantial implementation pursuant to Rule 14a-8(i)(10), it must show that its activities meet the guidelines and essential purpose of the Proposal. The Staff has noted that a determination that a company has substantially implemented a proposal depends upon whether a company’s particular policies, practices, and procedures compare favorably with the guidelines of the proposal. *Texaco, Inc.* (Mar. 28, 1991). Substantial implementation under Rule 14a-8(i)(10) requires a company’s actions to have satisfactorily addressed both the proposal’s guidelines and its essential objective. *Exelon Corp.* (Feb. 26, 2010).

Thus, when a company can demonstrate that it has already taken actions that meet most of the guidelines of a proposal and meet the proposal’s essential purpose, the Staff has concurred that the proposal has been “substantially implemented.” In the current instance, the Company has substantially fulfilled neither the guidelines nor the essential purpose of the Proposal.

¹⁰ <https://www.fightforthefuture.org/news/2021-06-14-apple-is-enabling-censorship-of-lgbtq-apps-in-152/>

¹¹ The 2020 proposal preceded the 2021 *New York Times* investigation which demonstrated that the company’s proactive app removals far exceed the number of apps requested by the government, to include a bureaucratic mechanism for removing apps without direct requests from the Chinese government in anticipation of government action for concern.

¹² <https://www.theguardian.com/technology/2020/feb/25/apple-censorship-requests-china-shareholder-groups-proposal>

Company Reporting does not meet the Guidelines of the Proposal

The resolved clause of the proposal clearly asks that the Board of Directors *revise* the Company's Transparency Reports to provide clear explanations of the number and categories of **app removals** from the app store, in response to **or in anticipation of** government requests, **that may reasonably be expected to limit freedom of expression or access to information.**

Assessing the Company actions against the guidelines:

- The guidelines of the proposal ask the company to revise and improve on the very report that the company claims to substantially implement the proposal. The Company has not done so.
- The existing Transparency Reports disclose the number of government requested app removals from the app store, without addressing the apparently larger number of apps that are removed on an “anticipatory” basis by the staff. Again, this fails to meet the guidelines of the proposal.
- Finally, to the extent the Transparency Reports discuss categories of apps at all, they do not shed light on the portion of apps that the Company views as “expected to limit freedom of expression for access to information.”

Clearly, the Company actions do not meet the guidelines of the proposal.

Company Reporting does not meet the Essential Purpose of the Proposal

The Company Letter makes a single claim that the proposal is substantially implemented in fulfilling the essential purpose:

....the underlying concern and essential objective of the Proposal is transparent reporting of Apple's treatment of app removal requests from governments, particularly where the removals may reasonably be expected to limit freedom of expression or access to information. By providing comprehensive information regarding the number and types of app removal requests, the number of apps that were ultimately removed as well as qualitative descriptions of the legal or platform policy violations that led to the removal requests, Apple already provides the requested disclosure regarding app removals and sufficient information for readers to reasonably discern whether the removals may have the effect of limiting freedom of expression or access to information. [emphasis added] Company Letter page 6.

As will be discussed further below, investors would be hard-pressed to ascertain the extent to which freedom of expression or access to information are being stifled by the number of government requests granted and the scant qualitative disclosures by the Company; in addition, the current reporting provides no disclosure of the amount and focus of the apparently *larger* number of proactive removals and their impact on freedom of expression or accessed information.

To discern the essential purpose of the proposal, it is helpful to look to the background section and especially the supporting statement. Although we agree with the Company that the Staff would not be expected to require the Company to fulfill the supporting statement on a point by point basis, the supporting statement provides critical evidence as to the purpose of the proposal.

Viewing the essential purpose of the proposal through the lens of the background clauses and supporting statement, it becomes even clearer that the existing disclosures of the company are unresponsive to the core concerns raised by the proposal. The Proposal's Supporting Statement suggests the company include in its Transparency Reports, or explain why it cannot disclose:

- The substantive content of government requests, by country, including which government agencies made requests; number of apps removed by category such as “encrypted communications,” VPN, etc.; and external legal or policy basis as well as internal company criteria on which the apps were removed;
- Any indicia of the extent of impact on residents of those countries, such as the number of prior downloads of the app and whether existing usage of the app was eliminated;
- Any efforts by the company to mitigate the harmful effect on freedom of expression and access to information posed by the categories of removals.”

Apple does not currently provide any of this data or, alternatively as requested by the supporting statement, an explanation of why it cannot disclose such data. Nor can the existing reporting be seen as fulfilling these core concerns.

The *background* section of the proposal highlights the finding of the *New York Times* in 2021 that since 2017 roughly 55,000 active apps have **disappeared** from Apple's Chinese App Store – a figure that is larger by an order of magnitude than the number of app takedowns discussed in the transparency reports. In short, the mere disclosure of the number of *government requests* amplifies the paucity of information on the subject matter of the proposal.

At a minimum, if the Company is performing true to its human rights commitment, the proponent would expect that there would be some form of analysis to suggest that the company had concluded that it *was* or *was not* impairing human rights integral to democratic practice - freedom of expression and access to information. The existing company actions fundamentally failed to address the concerns raised by the proposal and therefore the proposal is not substantially implemented.

Examining the Apple Transparency Reports

Apple's most recent Transparency Reports regarding removal of apps can be found on pages 18-24 of Appendix B in the Company's letter to the Staff.

The Transparency Reports make clear that the data contained therein reflect responses to requests for the removal of apps. The Transparency Report lists only two types of Takedown Requests: “Legal Violations” and “Platform Policy Violations.”

App removal requests ask Apple to remove an app from the App Store. These requests can be based on alleged/suspected violations of local law and/or of App Store platform policies. For example, law enforcement or regulatory agencies suspect an app may be unlawful or relate to/contain unlawful content, or may violate the App Store platform policies or relate to/contain content violating platform policies.

Apple's Transparency Report for the first half of 2020 disclosed that worldwide it complied with a total of 73 requests to remove a total of 278 apps for either legal violations or platform policy violations.

For the most part, the Transparency Report does not disclose *what kind* of apps were removed and whether the company viewed the particular apps as affecting freedom of expression or access to information.

For description of the types of apps removed the Company Letter refers the reader to the note at the end of the transparency report that purportedly provides additional information. When it comes to China, the latest note that ostensibly sheds more light on the issue merely says under the heading of Legal Violations:

China mainland - Requests predominantly related to apps with pornography or other illegal content.

While the removal of pornography may be one of the least controversial grounds that could be described, opaquely under the header of "other illegal content" are presumably the tools of freedom of expression and access to information that violate the various authoritarian legal mandates intended to stifle dissent and free thought. It's unclear how large a problem this is and what the company is doing about it from the reports.

Moreover, since the current Transparency Reports reveal only numbers related to government requests, they are inherently unresponsive to the proposal, including the underlying issue of "disappearing" apps raised by the *New York Times* article. The Transparency Reports do not provide any data regarding thousands of apps which the Company has reportedly removed from the China App Store where the request was not generated by the China government and not otherwise demonstrably in violation of the Company's Platform Policies.

Staff Precedents Do Not Support Exclusion

Contrary to the Company's assertions and citations, Staff precedents make it clear that substantial implementation exclusion is denied where there is an obvious failure to fulfill the guidelines and essential purpose as is the case in the current company actions. Mere reporting of tangentially related quantitative information when illuminating qualitative disclosure is sought does not fulfill a proposal. For instance, in *CVS Health Corporation* (February 9, 2015, Recon. Den., March 23, 2015) the company asserted it had fulfilled the essential purpose of a proposal requesting a report on congruency between the corporate values and electioneering contributions. CVS had asserted that the Company's existing *disclosures of contributions* would allow shareholders to assess for themselves the issues of congruency should they choose to. Proponents

successfully argued that since the essential purpose of the Proposal is for the management to publish its own analysis of the congruency of its donations and to explain the exceptions made, the Company's actions fail to constitute substantial implementation for purposes of Rule 14a-8(i)(10).

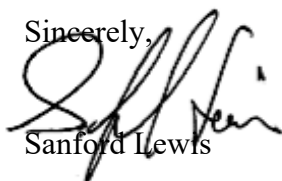
Similarly, in *Chesapeake Company* (April 13, 2010), Chesapeake asserted that its extensive web publications constituted “substantial implementation” of the proposal on natural gas extraction. However, the proponents successfully asserted that the proposal could not be substantially implemented if the company failed to address most of the core issues raised by the proposal. The SEC Staff concluded that despite a volume of writing by the company on hydraulic fracturing, the proposal was not substantially implemented. The same is certainly true in the current Proposal.

The Company Letter cites human rights related no-action decisions, in which the proposals that requested *general reporting* on human rights were found to be substantially implemented. For example, in *PPG Industries Inc.* (Jan. 16, 2020) the Staff concurred with exclusion of a proposal requesting that the board of directors prepare a report on the company’s processes for “implementing human rights commitments within company-owned operations and through business relationships.” Exclusion was allowed because the categories of requested information were already disclosed in the company’s global code of ethics, global supplier code of conduct, supplier sustainability policy, and sustainability report, and other disclosures that addressed the requested information. PPG and the other exclusion examples are quite unlike the current instance; in this instance, the guidelines and essential purpose of the proposal are more specific, and existing reporting is unresponsive to the core focus.

CONCLUSION

Based on the foregoing, we believe it is clear that the Company has provided no basis for the conclusion that the Proposal is excludable from the 2022 proxy statement pursuant to Rule 14a-8. As such, we respectfully request that the Staff inform the company that it is denying the no action letter request. If you have any questions, please contact me at 413 549-7333 or sanfordlewis@strategiccounsel.net.

Sincerely,



Sanford Lewis

THE PROPOSAL

Transparency Reports

In December 2020, 154 human rights organizations wrote to CEO Tim Cook regarding Apple's complicity with the Chinese government's human rights atrocities, noting that "[e]ven though...app removals gravely affect freedom of expression and access to information, Apple's Transparency Report currently does not disclose such actions beyond a number."

The *New York Times* reported in May 2021: "... Apple has constructed a bureaucracy that has become a powerful tool in China's vast censorship operation. It proactively censors its Chinese App Store, relying on software and employees to flag and block apps that Apple managers worry could run afoul of Chinese officials." Since 2017, the Times said, roughly 55,000 active apps have disappeared from Apple's Chinese App Store, including "tools for organizing pro-democracy protests and skirting internet restrictions." Most of those apps have remained available in other countries, the Times said.

Apple's transparency report for the first half of 2020 disclosed that it complied with all 46 requests from the Chinese government to remove 152 apps from the App Store. The report did not explain which apps were removed or for what reason.

- Apple's transparency reporting takes a "quantitative approach" that offers "little context for the app removal requests from the Chinese government or explanation of the risks that may be involved," according to Institutional Shareholder Services.
- The 2020 Ranking Digital Rights Corporate Accountability Index found "Apple lacked transparency about its process for removing apps from the App Store for violations to iOS rules."

Shareholders are deeply concerned about a material failure in Apple's transparency reporting that seemingly highlights a contradiction between Apple's human rights policy and its actions regarding China and its occupied territories, which represent almost a third of Apple's customer base. This poses significant legal, reputational and financial risk to Apple and its shareholders.

Resolved, shareholders request the Board of Directors revise the Company's Transparency Reports to provide clear explanations of the number and categories of app removals from the app store, in response to or in anticipation of government requests, that may reasonably be expected to limit freedom of expression or access to information. Such revision may exclude proprietary or legally privileged information.

Supporting Statement: Proponents suggest the company include in its Transparency Reports, or explain why it cannot disclose:

- The substantive content of government requests, by country, including which government agencies made requests; number of apps removed by category such as "encrypted

communications,” VPN, etc.; and external legal or policy basis as well as internal company criteria on which the apps were removed;

- Any indicia of the extent of impact on residents of those countries, such as the number of prior downloads of the app and whether existing usage of the app was eliminated;
- Any efforts by the company to mitigate the harmful effect on freedom of expression and access to information posed by the categories of removals.