

January 17, 2023

Arthur D. Levinson, Chairman of the Board  
c/o Sam Whittington, Corporate Law  
Apple Inc.  
One Apple Park Way  
MS: 927-4GC  
Cupertino, CA 95014 USA

Dear Mr. Levinson,

As long-term Apple investors representing approximately 53 million shares valued at \$7 billion of Apple stock, we commend Apple's commitment to conduct a third-party assessment overseen by Apple's Board of Directors focused on the company's efforts to comply with its Human Rights Policy, including the entire section entitled "Our Commitment to International Human Rights Standards" (set forth below), especially as it relates to workers' freedom of association and collective bargaining rights. This commitment follows the submission of a shareholder proposal in which this group expressed concerns about allegations that Apple's management has been interfering with worker rights to organize, contrary to the commitments Apple has made in its Human Rights Policy. We appreciate the company's willingness to engage and to ultimately reach an agreement with us.

We write today to set out our expectations regarding the implementation of the withdrawal agreement for your and the Board's review. Specifically, we write to stress the importance of Apple's commitment to non-interference and to press for the topic's inclusion in the assessment, as well as to provide certain recommendations regarding the selection of the assessor and conduct of the assessment. Our intention is to support Apple in conducting an assessment that is valuable, useful, and actionable for the company and its relevant stakeholders, including workers and investors.

We begin with Apple's commitment to International Human Rights Standards as written in its [Human Rights Policy](#):

We're deeply committed to respecting internationally recognized human rights in our business operations, as set out in the United Nations International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Our approach is based on the UN Guiding Principles on Business and Human Rights. We conduct human rights due diligence to identify risks and work to mitigate them. We seek to remedy adverse impacts, track and measure our progress, and report our findings.

We believe that dialogue and engagement are the best ways to work toward building a better world. In keeping with the UN Guiding Principles, **where national law and international human rights standards differ, we follow the higher standard**. Where they are in conflict, we respect national law while seeking to respect the principles of internationally recognized human rights.<sup>1</sup> (Emphasis added.)

#### **The assessment should address Apple's commitment to non-interference**

Apple has made a global commitment to uphold freedom of association and collective bargaining rights as expressed in its Human Rights Policy which states, "[...] we're committed to respecting the human rights of everyone whose lives we touch—including our employees [...]." Critically, Apple expressly commits itself to the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, which includes core conventions addressing the freedom of association and the recognition of collective bargaining

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<sup>1</sup> [https://s2.q4cdn.com/470004039/files/doc\\_downloads/gov\\_docs/2020/Apple-Human-Rights-Policy.pdf](https://s2.q4cdn.com/470004039/files/doc_downloads/gov_docs/2020/Apple-Human-Rights-Policy.pdf)

rights. These conventions are considered “enabling rights” because they can foster respect for other human rights like equality, health and safety, and other decent working conditions.<sup>2</sup>

The ILO Committee on Freedom of Association has declared as General Principles:

- “All appropriate measures should be taken to guarantee that, irrespective of trade union affiliation, trade union rights can be exercised in normal conditions with respect for basic human rights and in a climate free of violence, pressure, fear and threats of any kind;”
- “Workers shall have the right to join organizations of their own choosing without any interference from the employer.”<sup>3</sup>

In addition, in 2008, the ILO and the UN Global Compact issued A Guide for Business that refers to non-interference as follows:

Employers should not interfere in workers’ decision to associate, try to influence their decision in any way, or discriminate against either those workers who choose to associate or those who act as their representatives.<sup>4</sup>

Moreover, Apple requires non-interference from its own suppliers through its [Supplier Code of Conduct](#) which states: “Supplier[s] shall freely allow Workers’ lawful rights to associate with others, form and join (or refrain from joining) organizations of their choice, and bargain collectively, without interference, discrimination, retaliation, or harassment.” We expect that Apple require at least the same for its own workers.

We bring to the Board’s attention Apple peer Microsoft’s proactive response to organizing efforts as an example of leading practice. In June 2022, Microsoft and the Communication Workers of America (CWA) announced they had entered into a labor neutrality agreement which had five provisions:

First, Microsoft will take a neutral approach when employees covered by the agreement express interest in joining a union. Second, covered employees will be able to easily exercise their right to communicate with other employees and union representatives about union membership in a way that encourages information sharing and avoids business disruptions. Third, employees will have access to an innovative technology-supported and streamlined process for choosing whether to join a union. Fourth, employees can maintain confidentiality and privacy of that choice if they wish. Fifth, if a disagreement arises between the CWA and Microsoft under the agreement, the two organizations will work together promptly to reach an agreement and will turn to an expedited arbitration process if they cannot.<sup>5</sup>

### **Assessor Selection**

We recommend that the Board select a qualified third-party assessor that is as independent as practicable. Independence is essential to enhance the credibility and reliability of the assessment by building trust and confidence in the assessment process and the subsequent results.

To implement this recommendation, the Board should employ selection criteria predicated on an individual and/or entity’s demonstrated balanced approach to labor law and expertise in global human and labor rights norms. It is crucial that the assessor chosen does not have a union avoidance practice<sup>6</sup>. Individuals and/or entities with union avoidance practices often have pre-determined objectives to prevent worker organizing and will be

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<sup>2</sup> [https://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS\\_096122/lang--en/index.htm](https://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_096122/lang--en/index.htm)

<sup>3</sup> ILO Committee on Freedom of Association, Compilation of Decisions (2018), paras. 73, 1189, at [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---normes/documents/publication/wcms\\_632659.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---normes/documents/publication/wcms_632659.pdf)

<sup>4</sup> <https://www.unglobalcompact.org/library/261>

<sup>5</sup> <https://news.microsoft.com/2022/06/13/cwa-microsoft-announce-labor-neutrality-agreement/>

<sup>6</sup> For the Board’s information, entities with well-known union avoidance practices include, but are not limited to, Jackson Lewis PC, Proskauer Rose LLP, Kauff McGuire & Margolis LLP, Littler Mendelson PC, Seyfarth Shaw LLP, Morgan Lewis, and Ogletree Deakins.

perceived as unable to objectively determine whether Apple has upheld its commitments to international human rights standards, which may exceed legal standards. For the sake of clarity, those with union avoidance practices often specialize in directing employers’ anti-union campaigns under the rubric of remaining “union-free.”

**Consultations**

To ensure the efficacy and integrity of the assessment, we recommend that the assessor collaborate with a widely respected outside human rights expert, such as a former ILO official, to assist in leading the assessment and to provide strategic guidance. Incorporating such expert perspectives will help maintain the objectivity of the assessment and provide valuable global context.

As part of the assessment, it is necessary to integrate the input of a representative sample of workers, including worker organizers. Without the input from and evidence provided by groups and individuals affected by Apple’s practices and procedures, the assessor would lack the information necessary to properly define the assessment’s scope, assess whether Apple has realized its commitments to workers’ rights including non-interference, and identify any practices in need of remedy. We understand that an employer or agent of the employer may not legally be able to directly engage workers involved in organizing activities as this engagement could be considered intimidation or influence. Thus, we propose that Apple engage with entities and organizations that can accurately and confidentially convey the experiences and opinions of affected Apple workers, such as the unions representing Apple workers and other human rights/ labor organizations and experts.

**Operational Scope**

Lastly, we strongly encourage the Board and the assessor to define the scope of the assessment to include non-U.S. operations and the company’s supply chain. Apple has made commitments to worker rights globally as well as in its supply chain, and while much of the current organizing activity has occurred in the U.S., there are Apple worker organizing efforts occurring around the world, including in Australia and the U.K. Addressing these topics at a global level can add credibility to the assessment and address other potential areas of concern proactively and efficiently.

Thank you for considering this information and sharing it with the Board, with management, and with the third-party assessor. We look forward to receiving the assessor’s status update this summer and to meeting with the assessor and a member of the Board to discuss the assessment’s findings prior to their release by year-end 2023.

We are happy to provide input or feedback throughout the assessment process outside of these set checkpoints. Please do not hesitate to contact us via Jonas Kron at [jkron@trilliuminvest.com](mailto:jkron@trilliuminvest.com) to arrange a conversation.

Sincerely,

Jonas Kron  
**Trillium Asset Management**

Marissa LaFave  
**Parnassus Investments**

Emma Bayes  
**SOC Investment Group**

Renaye Manley  
**Service Employees International Union**

Michael Garland  
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Tom Powdrill  
**Pensions & Investment Research Consultants on behalf of the Greater Manchester Pension Fund**