

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.