Our Commitment to an Open and Collaborative Workplace

At Apple, our commitment to a safe, inclusive, and respectful work environment is backed by a comprehensive policy that forbids harassment and discrimination. We believe open and honest communication among team members, managers, and leaders helps create a collaborative culture where everyone can contribute, grow, and succeed.

Our policies are clear that employees have the right to speak freely about their workplace conditions, including harassment and discrimination, and we offer a range of resources for employees to address questions and report concerns. Our policies extend protections beyond minimum legal requirements, and we continuously review them. In 2018, after evaluating our policies and practices, we made adjustments so that new U.S. employees may choose to opt out of agreements to arbitrate disputes, and harassment and discrimination matters have been excluded from mandatory arbitration for all employees. Starting in January 2022, Apple also voluntarily committed to include California’s Silenced No More Act language in separation agreements going forward across the U.S., regardless of where employees work.

At Apple, we work every day to create an inclusive, safe, and supportive environment for all our team members. We believe we’re a better and more innovative company when people have support and the opportunity to be their best selves.

About This Report

In 2022, shareholders representing a majority of Apple shares requested a report “assessing the potential risks to the company associated with its use of concealment clauses in the context of harassment, discrimination and other unlawful acts.” The proposal defined the phrase “concealment clauses” to mean “any employment or post-employment agreement, such as arbitration, non-disclosure or non-disparagement agreements, that Apple asks employees or contractors to sign which would limit their ability to discuss unlawful acts in the workplace, including harassment and discrimination.”

To assist with the preparation of this report, Apple engaged outside counsel to review and evaluate relevant Apple policies and documentation. Based on that review, we have concluded that the risks to Apple are low.

The report below describes Apple’s policies and practices, our efforts to improve and clarify those policies and practices, and our assessment of the risk to the company requested by the proposal.

The preparation of this report was overseen and approved by the Nominating and Corporate Governance Committee of our Board of Directors.

I. Our policies

Apple’s Business Conduct Policy, which is publicly available on our website, sets out Apple’s expectations regarding confidentiality of unreleased products and non-public business information, and provides that, “You are permitted to speak freely about your wages, hours, and working conditions, including information about harassment, discrimination, or any other conduct you have reason to believe is unlawful, and nothing in this Policy, or any Apple policy, should be interpreted as being restrictive of your right to do so.”
The Business Conduct Policy applies to all our full- and part-time employees worldwide and sets out the principles of honesty, respect, confidentiality, and compliance that guide our employees and Apple’s business practices. All employees are required to complete mandatory training on the Business Conduct Policy upon hiring and annually thereafter. Apple also expects our suppliers, contractors, consultants, and other business partners to follow our principles when providing goods and services to Apple or acting on Apple’s behalf.

Apple is committed to providing a workplace free of harassment and discrimination. We offer a range of additional resources for employees to address questions and report concerns, as well as anonymous and confidential mechanisms, including People Support, the Business Conduct Helpline, the Business Conduct website, and an external reporting hotline. Reported concerns are evaluated and investigated, as appropriate, and our policy strictly prohibits any retaliation for reporting potential employee misconduct in good faith or participating in an investigation.

II. No mandatory arbitration for harassment and discrimination

People who have experienced harassment and discrimination have the right to bring their claim in court. We regularly review our policies and practices, and in 2018 made adjustments to ensure new U.S. employees have the choice not to sign our arbitration agreement or to opt-out of the agreement for 30 days after signing. At the same time, we revised our U.S. arbitration agreement to exclude harassment and discrimination claims from private mandatory arbitration in their entirety and applied this change retroactively to employees who signed prior versions of the agreement. Claims that are not related to harassment or discrimination, such as claims related to payment of wages or overtime, may still be subject to mandatory arbitration.

III. Applicable legislation

Apple is committed to ensuring our policies and practices comply with or exceed legal requirements, including, for example, California’s Silenced No More Act, which places restrictions on the use of confidentiality clauses relating to harassment, discrimination, or retaliation in certain employment agreements, and the U.S. “Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act of 2021,” which prohibits the enforcement of pre-dispute agreements mandating arbitration of sexual assault and harassment claims.

Starting in January 2022, Apple voluntarily committed to including California’s Silenced No More Act language in separation and settlement agreements going forward across the U.S., regardless of where employees work. As such, in circumstances where Apple offers a U.S. employee a separation agreement, the agreement includes the following language: “Nothing in this agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.”

IV. Outside counsel review

We are continually working to reinforce and clarify our policies, and over the course of the past year, Apple engaged outside counsel to review and evaluate relevant Apple policies and documentation.

The review covered employees and independent contractors in the U.S. and globally, spanning jurisdictions that are home to roughly 96% of Apple’s global headcount. Outside counsel confirmed that it is Apple’s global policy not to restrict employees’ or independent contractors’ ability to speak freely about harassment, discrimination, or conduct they believe to be unlawful. In the limited instances where they identified provisions in our employment agreements or agreements with
independent contractors that would reasonably be interpreted as restricting a person’s ability to speak about such conduct, we have committed to not enforce those restrictions and to make improvements and clarifications going forward.

As acknowledged in the proposal, Apple does use confidentiality provisions to protect corporate information, such as operational, financial, trade-secret, and other business information. Apple also uses non-disparagement clauses in the limited instances when we enter into mutually agreed separation agreements with employees, in compliance with laws. Consistent with Apple’s global policy, such provisions are not intended to restrict an employee’s or independent contractor’s ability to speak freely about harassment, discrimination, or conduct they believe to be unlawful.

V. Board oversight

Apple’s Board and its committees review and discuss with management matters related to our employees, including, among other things, Apple’s commitments and progress towards inclusive and diverse representation among our employees, employee engagement, and business conduct and compliance. Apple’s Board oversees matters related to our Apple values, such as Inclusion & Diversity, and receives regular updates from the head of our People team on matters related to our employees. The Audit and Finance Committee of our Board regularly reviews and discusses with management Apple’s business conduct and compliance risks.

The Nominating and Corporate Governance Committee of our Board has been regularly updated on the preparation of this report and the work to enhance and clarify our policies related to confidentiality, non-disclosure, and non-disparagement clauses.

VI. Conclusion

Based on the results from our review of Apple’s policies, practices, and documents, and our practice of not enforcing any provision that would reasonably be interpreted as restricting a person’s ability to discuss harassment, discrimination, or other workplace conduct believed to be unlawful, we have assessed the risks to Apple, including legal, brand, financial, and human capital risks, and believe them to be low.

Apple's Board intends to remain engaged in the company’s efforts to foster a culture where everybody belongs, and a workplace where everyone is treated with dignity and respect. And people across Apple are continuing their work to drive inclusion and diversity by engaging team members on their experiences, offering ongoing training and education, and supporting an environment where everyone’s voices are heard.

Approved by the Nominating and Corporate Governance Committee of Apple’s Board of Directors in November 2022.