Report on Ethical AI Data Acquisition and Usage

Whereas: The immense and transformative potential of artificial intelligence comes with substantial risks.

The development of AI systems relies on vast amounts of information. Troves of data openly available via the Internet still may not be enough to quench developers' insatiable thirst for high-quality AI training data.[1] Thus, stakeholders are concerned developers will unethically or illegally extract from "off-limits" sources, such as from personal information collected online,[2] copyrighted works,[3] and/or proprietary commercial information provided by users.[4] [5] [6]

Supporting Statement: Apple Inc. ("Apple" or the "Company") is one of the largest technology companies in the world, but it is reportedly behind in the AI "arms race."[7]

Apple says privacy is a "fundamental human right" and is one of its "core values,"[8] but the Company's AI initiatives call that into question.

Apple has promised not to train its AI models on private information,[9] but the Company is partnered with others that do not share its commitment. For example, Apple recently announced a partnership[10] with OpenAI:

- OpenAI allegedly stole large amounts of personal information by scraping the web, including "private information and private conversations, medical data, information about children — essentially every piece of data exchanged on the internet it could take — without notice to the owners or users of such data, much less with anyone's permission"[11]
- OpenAI recently appointed a former head of the National Security Agency – which has been criticized for spying on American citizens – to its board[12]
- OpenAI has been sued by the *New York Times*, among others, which alleged copyright infringement.[13]

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[1] https://www.wsj.com/tech/ai/ai-training-data-synthetic-openai-anthropic-9230f8d8
[2] https://www.scientificamerican.com/article/your-personal-information-is-probably-being-used-to-train-generative-ai-models/
[3] https://www.axios.com/2024/01/02/copyright-law-violation-artificial-intelligence-courts
[4] https://www.reuters.com/legal/legalindustry/risks-unleashing-generative-ai-company-data-2023-12-22/
[5] https://www.legaldive.com/news/azure-openai-service-confidentiality-loophole-legaltech-news-reports/711006/
[6] https://www.bloomberg.com/news/articles/2023-05-02/samsung-bans-chatgpt-and-other-generative-ai-use-by-staff-after-leak
[7] https://www.wsj.com/tech/ai/apple-ai-siri-development-behind-9ea65ee8
[8] https://www.apple.com/privacy/
[9] https://www.theverge.com/2024/6/13/24175985/apple-intelligence-ai-model-local-cloud-privacy-how-it-works
[10] https://www.wsj.com/tech/ai/apple-wwdc-2024-ai-release-356c5303
[11] https://www.businessinsider.com/openai-chatgpt-generative-ai-stole-personal-data-lawsuit-children-medical-2023-6
[12] https://fortune.com/2024/06/14/edward-snowden-eviscerates-openai-paul-nakasone-board-directors-decision/
[13] https://www.reuters.com/legal/transactional/ny-times-sues-openai-microsoft-infringing-copyrighted-work-2023-12-27/

- o "OpenAI/Microsoft '[built] training datasets containing millions of copies of Times Works"[14]
- o The plaintiff seeks "statutory damages, actual damages, restitution of profits, attorneys' fees, and other remedies provided by law"
- • OpenAI also has an extensive partnership with Microsoft, an Apple competitor.[15]

Apple has also discussed an AI partnership with Meta Platforms.[16] [17] Shareholders should be concerned these partnerships raise the possibility of inappropriate data sharing. Prioritizing data ethics in Apple's AI development will help avoid harmful consequences.[18] [19] [20]

Americans want data privacy.[21] Developers who provide it will reap the benefits of consumer trust, while those who do not will suffer. Apple's position in the AI arms race – on which its financial sustainability may rest – hangs in the balance.

Resolved: Shareholders request the Company to prepare a report, at reasonable cost, omitting proprietary or legally privileged information, to be published within one year following the 2025 Annual Meeting and updated annually thereafter. This report should assess the risks to the Company's operations and finances, and to the greater public health, safety and welfare, presented by Apple's unethical or improper usage of external data in the development and training of its artificial intelligence projects and implementation; what steps the Company takes to mitigate those risks; and how it measures the effectiveness of such efforts.

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[14] https://nytco-assets.nytimes.com/2023/12/NYT_Complaint_Dec2023.pdf
[15] https://www.theverge.com/2024/5/1/24146302/microsoft-openai-investment-google-worries-internal-emails
[16] https://www.wsj.com/tech/ai/apple-meta-have-discussed-an-ai-partnership-cc57437e
[17] https://www.nytimes.com/2023/05/22/business/meta-facebook-eu-privacy-fine.html
[18] https://hbr.org/2023/05/who-is-going-to-regulate-ai
[19] https://www.ftc.gov/policy/advocacy-research/tech-at-ftc/2024/01/ai-companies-uphold-your-privacy-confidentiality-commitments
[20] https://www.cnbc.com/2024/01/05/microsoft-openai-sued-over-copyright-infringement-by-authors.html
[21] https://www.pewresearch.org/short-reads/2023/10/18/key-findings-about-americans-and-data-privacy/