

Human Rights Impacts Assessment (FLoC)

Alphabet 2022

RESOLVED, shareholders of Alphabet Inc. (“Alphabet”) request that the Board of Directors commission an independent human rights impact assessment (“Report”) evaluating the potential human rights impacts of Google’s upcoming Federated Learning of Cohorts technology (“Technology”) and make the Report, prepared at reasonable cost and omitting proprietary information, publicly available on Alphabet’s website.

SUPPORTING STATEMENT

Google launched a trial version of this Technology in 2021 and expects to fully eliminate third-party cookies in 2023. Google’s proposal to phase out third-party cookies and replace them with this Technology constitutes a major transformation in advertising—Alphabet’s primary source of revenue. As opposed to third-party cookies, this Technology—part of Alphabet’s emerging tools called the “Privacy Sandbox”—relies on algorithmically grouping users into large “cohorts” whose behavior and activities are broadly similar.

While Google states that this Technology is a “privacy-first alternative to third-party cookies,” civil society groups have revealed that entities may be able to bypass this Technology’s privacy-protecting features to identify individual users. Studies show that algorithmically generated groupings like this Technology may enable advertisers to target sensitive demographic characteristics, such as race, gender, age, and income, using shared interests as proxies.

Further, civil society actors has concerns that shifting to first-party tracking through systems like this Technology will consolidate users’ data into the hands of a few powerful platforms. This may generate further harms and privacy risks to users who cannot migrate to another platform.

Although Alphabet claims that this Technology has privacy-enhancing features, civil society has identified the aforementioned human rights risks associated with this Technology. Alphabet has not clarified how it will enforce its advertising policies to detect bad actors and prevent them from using the opacity of algorithmic grouping to their advantage, nor has it clearly explained how it will protect the privacy of vulnerable demographic groups. Therefore, it is crucial for Alphabet to identify and address the privacy risks that this Technology may present to all users.

The adverse human rights impacts of existing targeted advertising systems—including fueling hate speech and exacerbating socioeconomic inequality— are well-documented and transcend user privacy. There continues to be material risks to shareholders, who urgently require greater transparency and due diligence on this issue.

A Human Rights Impact Assessment will enable Alphabet to better identify and address such human rights impacts that may expose Alphabet to significant reputational, legal, business and financial risks. According to the UN Guiding Principles on Business and Human Rights, companies should initiate such assessments “as early as possible in the development of a new activity or relationship,” prioritizing activities with the greatest potential for causing or contributing to harm and those affecting multiple parts of Alphabet’s value chain. This Technology is now at a stage of evolution where a Report is most necessary and impactful. However, Google has shown no evidence of evaluating the human rights impacts of its existing targeted advertising system or this Technology. A Report will determine how well users’ rights will be protected in a new digital landscape.