

# Alphabet Inc. (GOOGL) 2022 Shareholder Proposals



**INVESTOR ALLIANCE  
FOR HUMAN RIGHTS**  
AN INITIATIVE OF ICCR

# Proposals Filed

- Racial Equity Audit
- Human Rights Governance - Content Management Policies
- Data Operations in Human Rights Hotspots
- Algorithm Disclosures - Impact on User Speech & Experience
- Human Rights Impact Assessment on Federated Learning of Cohorts
- Concealment Clauses
- Environmental Impact of Product Repair Policies
- Paris-Aligned Climate Lobbying
- Board Diversity

# **Human Rights & Workers' Rights Proposals**

# Racial Equity Audit

## Nathan Cummings Foundation

Laura Campos ([laura.campos@nathancummings.org](mailto:laura.campos@nathancummings.org)), Michael Connor ([mconnor@openmic.org](mailto:mconnor@openmic.org))

**Resolved:** Shareholders urge the Board of Directors to commission a third-party, independent racial equity audit analyzing Alphabet Inc.'s adverse impacts on Black, Indigenous and People of Color (BIPOC) communities. Input from racial justice and civil rights organizations and employees, temporary vendors, and contractors should be considered in determining specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be published on Alphabet's website.

### Arguments in favor of proposal:

- “Strengthening our commitment to racial equity and inclusion will help Google build more helpful products for our users and the world.” - [Sundar Pichai, June 2020](#)
- Google’s [goals](#) include increasing diversity at senior levels by 30% and doubling the number of Black+ employees by 2025. Yet Google itself [admits](#) that **only, “a few of the programs and practices we’ve implemented have shown promising results.”**
- Alphabet has been [called before Congress](#) over concerns about bias, hate speech and disinformation, multiple members of Congress have expressed [concerns about algorithmic bias and representation at Google](#) and at least five Senators have [urged Alphabet to conduct a racial equity audit](#).
- Alphabet companies have faced [advertising boycotts](#) because of concerns about racial discrimination, resulting in lost revenue.
- Peers including Facebook have conducted civil rights audits and publicly endorsed their usefulness. An audit could help meet goals for diversity and inclusion, enhance product development, and decrease the risk of future controversies over Alphabet’s impact on workers, communities of color and our multiracial democracy.

### Links to Additional Resources:

- [The Rationale for and Key Elements of a Business Civil Rights Audit](#), [Freedom from Facebook and Google](#), [Beyond the Statement](#)

# Human Rights Governance - Content Management Policies

## *Robeco Institutional Asset Management B.V., The Sustainability Group at Loring Wolcott & Coolidge, NEI Investments*

Larisa Ruoff ([lruoff@lwcotrust.com](mailto:lruoff@lwcotrust.com))

NEI



ROBECO

**Resolved:** *Stockholders request the Audit and Compliance Committee commission an independent Human Rights Impact Assessment report (“the Report”), conducted by a reputable third party at reasonable cost, evaluating the efficacy of Alphabet’s existing policies and practices to address the human rights impacts of its content management policies to address misinformation and disinformation across its platforms. A summary of its findings should be published, omitting confidential, proprietary, or legally privileged information, or admissions relevant to pending litigation.*

### Arguments in favor of proposal:

- **Human rights risks—including those impacted by misinformation and disinformation—are material for companies and investors:** In 2011, governments around the world came together in the UN Human Rights Council to unanimously endorse the UN Guiding Principles on Business and Human Rights (UNGPs) which establishes that all companies, including Alphabet, have a responsibility to respect human rights.
- **Given Alphabet’s unique power and responsibility, it has particular obligations:** With Alphabet’s seemingly ubiquitous products, and the tremendous influence its technologies have in shaping our information environment, the Company faces particular risks in this area.
- **Third-party assessment of policies benefit companies and their investors:** The company has some policies, practices and reporting in place with regards to misinformation. However, to ensure the company is protecting against risks, shareholders require a structured third-party, independent assessment that can be used to evaluate the efficacy of Alphabet’s existing policies and practices given public scrutiny regarding the spread of misinformation. Moreover, because the company and its board have consistently avoided multiple repeated and escalating shareholder concerns regarding this issue, an independently conducted Human Rights Impact Assessments (HRIA) can provide clarity on whether the board is sufficiently overseeing human rights-related risks via its audit and compliance committee or other means.
- **Human Rights Impact Assessments (HRIAs) are increasingly used by investors and companies:** A human rights impact assessment is being used increasingly by tech peers and other large companies—even Google itself. It is an endorsed form of human rights due diligence with clear boundaries that are not overly complex as to deter investors, but also provide flexibility for management.
- **Conclusion:** While the company has some relevant disclosure, a third-party report, applying the Human Rights Impact Assessment framework—a recognized form with clear boundaries familiar to investors and the Company—would provide shareholders with an independent assessment to evaluate the efficacy of Alphabet’s existing policies and practices to address misinformation and disinformation.

# Data Operations in Human Rights Hotspots

## SumOfUs

Christina O'Connell ([christina@sumofus.org](mailto:christina@sumofus.org))

**Resolved:** *Shareholders request the Board of Directors commission a report assessing the siting of Google Cloud Data Centers in countries of significant human rights concern, and the Company's strategies for mitigating the related impacts. The report, prepared at reasonable cost and omitting confidential and proprietary information, should be published on the Company's website within six months of the 2022 shareholders meeting.*

### **Arguments in favor of proposal:**

- The company is locating an important data center in Saudi Arabia and will build and operate it in partnership with Saudi Aramco.
- It has also selected Indonesia, India and Qatar as the sites for new Data Centers yet all four countries have significant digital and human rights challenges.
- As signatories of the GNI and UNGP, the company has obligations to assess human rights impacts of operations, consult with stakeholders, produce mitigation plans where needed and communicate transparently on the process and results
- 39 leading Human Rights organizations have asked the company to reconsider locating a major Data Centers in Saudi Arabia and at minimum to undertake and publish an independent Human Rights Impact Assessment and mitigation plan.
- Alphabet has said it has conducted such an assessment and implemented identified mitigations however the Company has refused to identify the organization which conducted this HRIA and has refused to provide the assessment or mitigation plan.
- Reputational and operational risks are significant in these locations, undermining trust in data security and privacy along with the risk to civil society in each location.

### **Links to Resources:**

- <https://www.cnn.com/2021/05/26/tech/google-saudi-arabia-cloud/index.html>
- <https://www.bloomberg.com/news/articles/2020-12-21/google-brings-its-cloud-business-to-saudi-arabia-with-aramco>
- <https://www.state.gov/reports/2020-country-reports-on-human-rights-practices/saudi-arabia/>
- <https://www.state.gov/reports/2020-country-reports-on-human-rights-practices/indonesia/>
- <https://www.state.gov/reports/2020-country-reports-on-human-rights-practices/india/>
- <https://www.state.gov/reports/2020-country-reports-on-human-rights-practices/qatar>
- <https://rankingdigitalrights.org/index2020/companies/Google>

# Algorithm Disclosures; impacts on user speech & experience

## *Trillium Asset Management*

Jonas Kron ([jkron@trilliuminvest.com](mailto:jkron@trilliuminvest.com))

**Resolved:** Shareholders request Alphabet go above and beyond its existing disclosures and provide more quantitative and qualitative information on its algorithmic systems. Exact disclosures are within management's discretion, but suggestions include, how Alphabet uses algorithmic systems to target and deliver ads, error rates, and the impact these systems had on user speech and experiences. Management also has the discretion to consider using the recommendations and technical standards for algorithm and ad transparency put forward by the Mozilla Foundation and researchers at New York University.

### Arguments in favor of proposal:

- Allow investors to evaluate management of regulatory risk (e.g. Filter Bubble Transparency Act, The Social Media Disclosure and Transparency of Advertisements Act, Stop Discrimination by Algorithms Act, Digital Services Act)
- Address ongoing controversies
- Credible third party transparency templates exist: Mozilla Foundation and New York University
- Deloitte: "Increasing complexity, **lack of transparency** around algorithm design, inappropriate use of algorithms, and weak governance are specific reasons why algorithms are subject to such risks as biases, errors, and malicious acts."

### Links to Resources:

- New America OTI report [Cracking Open the Black Box](#)
- Deloitte report [Managing algorithmic risks](#)
- [Mozilla](#) and [NYU](#) reports



# Human Rights Impact Assessment on Federated Learning of Cohorts

## SHARE, on behalf of the United Church of Canada Pension Plan

Sarah Couturier-Tanoh ([scouturier-tanoh@share.ca](mailto:scouturier-tanoh@share.ca))



**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.

### Arguments in favor of proposal:

- **Background:** FLoC has been replaced with Topics API due to significant stakeholder criticism regarding potential human rights harms, privacy risks, and lack of user transparency.<sup>1,2</sup> Alphabet itself acknowledged that [FLoC was scrapped](#) because “Stakeholders wanted the API to provide more user controls”<sup>3</sup>
- **Relevance:** Targeted advertising represents [82%<sup>4</sup>](#) of Alphabet’s revenue (2021 Q4), approx. [USD\\$61.2 billion<sup>5</sup>](#). Alphabet dedicated important resources to Privacy Sandbox without understanding potential negative impacts on users, including human rights impacts.
- **Risks:** Without a proper Human Rights Impact Assessment on new targeted advertising technology, including Topics API, Alphabet and its shareholders may face significant reputational, operational, legal, financial, and regulatory risks.
  - Examples of legal risks:
    - 2019: [USD\\$170 million fine](#) for violating children’s privacy on YouTube<sup>6</sup>
    - 2021: [Class action lawsuit](#) claiming Alphabet tracks users even in Incognito<sup>7</sup>
    - 2022: [USD\\$169 million fine](#) for making it difficult for internet users to refuse cookies in France<sup>8</sup>
  - Examples of regulatory risks:
    - 2020: [Antitrust lawsuit](#) alleging that Google illegally maintained a monopoly in online advertising<sup>9</sup>
- **Conclusion:** Conducting a Human Rights Impact Assessment on new targeted advertising technologies like Topics API would help Alphabet and its shareholders identify, assess and address potential human rights risks and protect shareholders’ long-term value.



## Concealment Clauses

### **Transparency in Employment Agreements Coalition**

Michael Connor ([mconnor@openmic.org](mailto:mconnor@openmic.org))/Ifeoma Ozoma ([ifeoma.ozoma@gmail.com](mailto:ifeoma.ozoma@gmail.com))/Meredith Benton ([benton@whistlestop.capital](mailto:benton@whistlestop.capital))

**Resolved:** *Shareholders of Alphabet Inc. ask that the Board of Directors prepare a public 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 report should be prepared at reasonable cost and omit proprietary and personal information.*

*Concealment clauses are defined as any employment or post-employment agreement, such as arbitration, non-disclosure or non-disparagement agreements, that Alphabet asks employees or contractors to sign which would limit their ability to discuss unlawful acts in the workplace, including harassment and discrimination.*

#### **Arguments in favor of proposal:**

- **Shareholder lawsuits and settlements** - [\\$50M settlement](#) against Pinterest brought by RI Treasurer
- **Changing policy landscape** - [SB331](#) allows CA workers to speak about unlawful conduct regardless of NDA
- **Best practices** - [Expensify](#)/[Twilio](#)  
*“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.”*
- **Governance** - agency risk, need for board oversight, transparency/accountability,
- **Risk** - state/federal legislative shifts, surge in claims, harm to employee relationship, brand perception
- **Accountability** - impunity for managers/executives, information withheld, limited claims
- **DEI** - arbitration for sexual harassment named unfair practice by AGs, EEOC, GAO, FINRA

Links to Resources: [Marketwatch](#), [New York Times](#), [Fast Company](#), [Aperio Group by BlackRock](#)

# Environmental Proposals

# Environmental Impact of Product Repair Policies

## Green Century Capital Management

Annalisa Tarizzo ([atarizzo@greencentury.com](mailto:atarizzo@greencentury.com))



**Resolved:** *Shareholders request that the Board prepare a report, at reasonable cost and omitting proprietary information, on the environmental and social benefits of making Company devices more easily repairable by consumers and independent repair shops.*

### Arguments in favor of proposal:

- Environmental risk:
  - Premature disposal of devices due to inaccessible repair contributes to increased carbon emissions and electronic waste.
- Regulatory risk:
  - FTC has pledged to investigate companies believed to be illegally restricting repair.
  - 27 states introduced Right to Repair legislation last year. Many bills are being reconsidered this year.
- Competitive risk:
  - Apple announced in November that it will provide repair manuals, tools, and replacement parts for consumer to perform common repairs themselves.
  - Microsoft will be assessing the repairability of its products and has pledged to act on the findings.
  - Dell and HP have long provided repair manuals and replacement parts to consumers.
- Reputational risk:
  - Google has garnered negative media attention due to its anti-repair practices and is regularly targeted by Right to Repair campaign groups.

**Resolved:** *Shareholders request the Alphabet Inc. Board of Directors within the next year conduct an evaluation and issue a report (at reasonable cost, omitting proprietary information) describing if, and how, its lobbying activities (directly and indirectly through trade associations and social welfare and nonprofit organizations) align with the Paris Agreement's ultimate goal to limit average global warming to 1.5° C. The report should also address Alphabet's plans to mitigate the risks presented by any misalignment.*

**Arguments in favor of proposal:**

- **Public policy processes are opaque.** Lobbying in the United States and globally wields enormous influence in shaping public policy and discourse on climate science. Alphabet's lobbying activities impact local and national outcomes through a process that is opaque by design.\*
- **Due diligence of climate change activities appears limited.** Omitting lobbying alignment analysis and related disclosure presents a blind spot that could jeopardize, delay, or obstruct Alphabet's climate mitigation efforts, exposing the company to risk and unintended social and environmental impacts. .
- **Public disclosure is limited.** It does not adequately address the rationale for Alphabet's membership to trade associations or giving to nonprofits or charities despite their often clear incongruence to Alphabet's own policy stances, commitments, and goals related to climate change risk, mitigation, and transition.
- **Risk of brand erosion is significant.** Alphabet's brand and credibility are reliant on its significant investments into ensuring into e.g. product development, supply chain management, and ad-revenue model (pledge to fight misinformation via ads) are aligned with their sustainability commitments. It is not clear how lobbying activities are evaluated to ensure any misalignment is identified and addressed.

# Governance Proposals

# Board Diversity

## Arjuna Capital

Natasha Lamb ([natasha@arjuna-capital.com](mailto:natasha@arjuna-capital.com))

**Resolved:** *Shareholders request that Alphabet report annually on its policies and practices to help ensure its elected Board of Directors attains racial and gender representation that is better aligned with the demographics of its customers and/or regions in which it operates. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.*

### Arguments in favor of proposal:

- Board diversity results in a more diverse workforce<sup>1</sup>, higher revenues<sup>2</sup>, higher Return on Assets<sup>3</sup>, enhanced corporate governance<sup>4</sup>, and improved stakeholder relations<sup>5</sup>
- Board diversity requirements- Nasdaq 2021 ruling and California 2018 legislation acknowledge board diversity value<sup>6,7</sup>
  - ISS: 61% of investors believe boards “should aim to reflect the company’s customer base and broad societies in which they operate”<sup>8</sup>
- GOOGL’s Board of Directors largely disproportionate with population:
  - Board of Directors:
    - 27% women
    - 36% minorities
    - 18% underrepresented minorities, defined as Black and Latinx employees by National Science Board
  - US population:
    - 51% women
    - 42% minorities
    - 32% underrepresented minorities

### Links to Resources:

1. [How Diverse Leadership Teams Boost Innovation \(bcg.com\)](#)
2. [How Diverse Leadership Teams Boost Innovation \(bcg.com\)](#)
3. Lone Christiansen, Huidan Lin, Joana Pereira, Petia Topalova, and Rima Turk. “Gender Diversity in Senior Positions and Firm Performance: Evidence from Europe.” IMF. March 2016.
4. Wahid, Aida. “The Effects and the Mechanisms of Board Gender Diversity: Evidence from Financial Manipulation.” University of Toronto. March 2017.
5. [Board Diversity: No Longer Optional \(harvard.edu\)](#)
6. [Board Diversity Disclosure Five Things.pdf \(nasdaq.com\)](#)
7. [Diversity on Boards :: California Secretary of State](#)
8. [2020-global-policy-survey-summary-of-results.pdf \(issgovernance.com\)](#) (pg 18)