

# Alphabet Inc.



It was hard to go into a dialogue with Alphabet, but joining forces with other shareholders and bringing our ideas to the AGM got us closer to our goals

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### Engagement rationale

Human rights risks are embedded in Alphabet's business model as it generates revenues from advertising services targeting its users. Failure to manage these risks will result in significant business risks as it can undermine their social license to operate and reputation.

### Background

Through a collaborative engagement initiative with the several signatories of the Principles for Responsible Investment we had co-filed a shareholder proposal for the 2020 AGM calling for the establishment of a board-level human rights risk committee. Although the proposal was not adopted, Alphabet has made positive changes in its human rights governance. We kept trying to enter into a meaningful discussion with the company to further improve governance and disclose with respect to human rights. Our effort failed and the group decided to file another shareholder proposal at the 2022 AGM, asking for an independent Human Rights Impact Assessment Report.

### Theme for engagement

- Social - Human rights impact assessment.



### Development

Positive

### Milestone



### Engagement objectives

- Ask the company to evaluate the efficacy of its existing policies and practices to address the human rights impacts of its content management policies to address misinformation and disinformation across its platforms, and to disclose the outcomes of this evaluation.

### Engagement results

- The shareholder proposal, which requested the Audit and Compliance Committee commission to conduct an independent Human Rights Impact Assessment Report ("the Report"), which is 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. The proposal was tabled as Proxy Item 16 at the 2022 AGM held on June 1.
- The proposal got significant support but did not pass: the 23% support for the resolution translates to roughly 66% of the independent votes, which made it the most supported proposal after the 'one-share-one-vote' request.

### Next steps

- In collaboration with other investors, we have continued to engage with the company to have a constructive dialogue on human rights assessment and disclosures.
- We continue to follow the work of the Human Rights Executive Council and the Audit and Compliance Committee.



### Company

Alphabet inc. (known also through its brands Google and Youtube) provides online advertising services globally. It offers performance and brand advertising services. Alphabet is the world's fourth-largest technology company by revenue and one of the world's most valuable companies.

### Country

USA

### Sector

Interactive Media & Services

### Market cap

Large Cap

### Materiality

Through its ubiquitous footprint, Alphabet has unique power and influence within our society.

### ESG Research

MSCI ESG Rating: BBB  
Sustainalytics: 24.1 (medium risk)

### Engagement initiated

Q1 2019

### Latest update

Q3 2022

### Kempen Fund

Global Sustainable Equity Fund

