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NASDAQ: **GOOGL**

ISIN: **US02079K3059**

MEETING DATE: 06 JUNE 2025

RECORD DATE: 08 APRIL 2025

PUBLISH DATE: 16 MAY 2025

INDEX MEMBERSHIP:

NASDAQ-100; RUSSELL 3000; S&P
GLOBAL 100; NASDAQ COMPOSITE;
RUSSELL 1000; S&P 100; S&P 500;
RUSSELL TOP 200

SECTOR: COMMUNICATION SERVICES

INDUSTRY: INTERACTIVE MEDIA AND SERVICES

COUNTRY OF TRADE: UNITED STATES

COUNTRY OF INCORPORATION: UNITED STATES

HEADQUARTERS: CALIFORNIA

VOTING IMPEDIMENT: NONE

COMPANY DESCRIPTION

Alphabet Inc. offers various products and platforms in the United States, Europe, the Middle East, Africa, the Asia-Pacific, Canada, and Latin America. It operates through Google Services, Google Cloud, and Other Bets segments.

OWNERSHIP	COMPANY PROFILE	ESG PROFILE	COMPENSATION	COMPENSATION ANALYSIS	COMPANY UPDATES
PEER COMPARISON	VOTE RESULTS	COMPANY FEEDBACK	APPENDIX	SUSTAINALYTICS ESG	ESG BOOK PROFILE
BITSIGHT CYBER SECURITY					

2025 ANNUAL MEETING

PROPOSAL	ISSUE	BOARD	GLASS LEWIS	CONCERNS
1.00	Election of Directors	FOR	SPLIT	• DIVERSITY ALERT
1.01	Elect Larry Page	FOR	AGAINST	• Attendance
1.02	Elect Sergey Brin	FOR	FOR	
1.03	Elect Sundar Pichai	FOR	FOR	
1.04	Elect John L. Hennessy	FOR	AGAINST	• Insufficient disclosure of board demographic info • Gender diversity concerns • Diversity disclosure concerns • Multi-class share structure
1.05	Elect Frances H. Arnold	FOR	FOR	
1.06	Elect R. Martin Chavez	FOR	FOR	
1.07	Elect L. John Doerr	FOR	AGAINST	• Affiliate/Insider on a committee
1.08	Elect Roger W. Ferguson, Jr.	FOR	FOR	
1.09	Elect K. Ram Shriram	FOR	FOR	
1.10	Elect Robin L. Washington	FOR	FOR	
2.00	Ratification of Auditor	FOR	FOR	

3.00	Shareholder Proposal Regarding Right to Act by Written Consent	AGAINST	FOR	• Shareholder action by written consent enables shareholders to take action on important issues that arise between annual meetings
4.00	Shareholder Proposal Regarding Excluding Share Repurchases in Executive Compensation	AGAINST	AGAINST	
5.00	Shareholder Proposal Regarding Report on Discrimination Risk of Charitable Contributions	AGAINST	AGAINST	
6.00	Shareholder Proposal Regarding Participation in Human Rights Campaign's Corporate Equality Index	AGAINST	AGAINST	
7.00	Shareholder Proposal Regarding Disclosure Related to 2030 Climate Goals	AGAINST	AGAINST	
8.00	Shareholder Proposal Regarding Recapitalization	AGAINST	FOR	• Allowing one vote per share generally operates as a safeguard for common shareholders
9.00	Shareholder Proposal Regarding Third-Party Report on Due Diligence in Conflict-Affected and High-Risk Areas	AGAINST	AGAINST	
10.00	Shareholder Proposal Regarding GenAI Discrimination	AGAINST	AGAINST	
11.00	Shareholder Proposal Regarding Report on Risks of AI Data Sourcing	AGAINST	FOR	• Additional disclosure will better allow shareholders to understand the Company's management of AI-related risks
12.00	Shareholder Proposal Regarding Human Rights Impact Assessment of AI-Driven Targeted Advertising	AGAINST	FOR	• An independent review of human rights considerations in advertising could benefit shareholders
13.00	Shareholder Proposal Regarding Alignment of Lobbying and Policy Influence Activities with Child Safety Commitments	AGAINST	AGAINST	
14.00	Shareholder Proposal Regarding Report and Targets on Child Safety Impacts	AGAINST	AGAINST	

 For Your Attention: Additional review recommended due to highly contextual analysis.

DIVERSITY ALERT: Please refer to the Disclosure Note below and our analysis for additional details.

POTENTIAL CONFLICTS

As of October 2021, U.S. and Canadian companies are eligible to purchase and receive Equity Plan Advisory services from Glass Lewis Corporate, LLC ("GLC"), a Glass Lewis affiliated company. More information, including whether the company that is the subject of this report used GLC's services with respect to any equity plan discussed in this report, is available to Glass Lewis' institutional clients on Viewpoint or by contacting compliance@glasslewis.com. Glass Lewis maintains a strict separation between GLC and its research analysts. GLC and its personnel did not participate in any way in the preparation of this report.

DISCLOSURE NOTES

EXPLANATION FOR REPUBLICATION: 21 May 2025. We have updated Proposals 10 and 11 to include links to exempt solicitations. No other changes have been made as a result.

DIVERSITY ALERT: One or more "AGAINST" or "WITHHOLD" election of director recommendations in this Proxy Paper is flagged for your attention because it is based, at least in part, on considerations of gender or underrepresented community diversity. Clients that wish to not vote based on such considerations should vote "FOR," absent any other concern. For more information on how Glass Lewis has modified its Benchmark Policy approach to considering certain diversity factors at U.S. companies beginning March 10, 2025, please see our [2025 Supplemental Statement on Diversity Considerations at U.S. Companies](#). If you have any questions or if you wish to update your approach to voting based on diversity considerations, please contact your Client Service Manager.

ENGAGEMENT ACTIVITIES

Glass Lewis held the following engagement meetings within the past year:

ENGAGED WITH	MEETING DATE	ORGANIZER	TYPE OF MEETING	TOPICS DISCUSSED
Shareholder Proponent	24 February 2025	Shareholder Proposal Proponent	Teleconference/Web-Meeting	Shareholder Proposal

For further information regarding our engagement policy, please visit <http://www.glasslewis.com/engagement-policy/>.

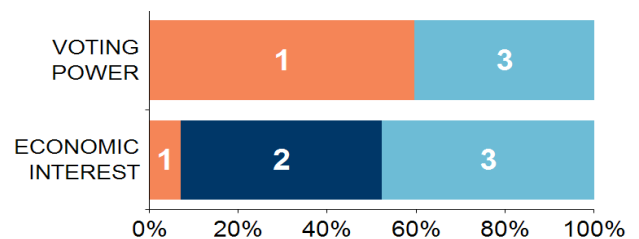
ISSUER DATA REPORT: Alphabet Inc. registered to participate in Glass Lewis' Issuer Data Report program (IDR) for this meeting. The IDR program enables companies to preview the key data points used by Glass Lewis' research team, and address any factual errors with Glass Lewis prior to the publication of the Proxy Paper to Glass Lewis' clients. No voting recommendations or analyses are provided as part of the IDR. For more information on the IDR program, please visit <https://www.glasslewis.com/issuer-data-report/>

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SHARE OWNERSHIP PROFILE

SHARE BREAKDOWN

	1	2	3
SHARE CLASS	Class B Common Stock	Class C Capital Stock	Class A Common Stock
SHARES OUTSTANDING	855.8 M	5,459.0 M	5,820.0 M
VOTES PER SHARE	10	0	1



SOURCE CAPITAL IQ AND GLASS LEWIS. AS OF 29-APR-2025

TOP 20 SHAREHOLDERS

	HOLDER	OWNED*	COUNTRY	INVESTOR TYPE
1.	The Vanguard Group, Inc.	7.59%	United States	Traditional Investment Manager
2.	BlackRock, Inc.	6.62%	United States	Traditional Investment Manager
3.	Brin, Sergey	5.99%	N/A	Individuals/Insiders
4.	State Street Global Advisors, Inc.	3.41%	United States	Traditional Investment Manager
5.	Page, Lawrence Edward	3.21%	N/A	Individuals/Insiders
6.	FMR LLC	2.76%	United States	Traditional Investment Manager
7.	Capital Research and Management Company	2.57%	United States	Traditional Investment Manager
8.	Geode Capital Management, LLC	1.95%	United States	Traditional Investment Manager
9.	T. Rowe Price Group, Inc.	1.56%	United States	Traditional Investment Manager
10.	Norges Bank Investment Management	1.29%	Norway	Sovereign Wealth Fund
11.	Northern Trust Global Investments	1.04%	United Kingdom	Traditional Investment Manager
12.	UBS Asset Management AG	1.04%	Switzerland	Traditional Investment Manager
13.	Morgan Stanley, Investment Banking and Brokerage Investments	0.91%	United Kingdom	Bank/Investment Bank
14.	JP Morgan Asset Management	0.85%	United States	Traditional Investment Manager
15.	Wellington Management Group LLP	0.73%	United States	Traditional Investment Manager
16.	Eaton Vance Management	0.66%	United States	Traditional Investment Manager
17.	Legal & General Investment Management Limited	0.60%	United Kingdom	Traditional Investment Manager
18.	Charles Schwab Investment Management, Inc.	0.57%	United States	Traditional Investment Manager
19.	Goldman Sachs Asset Management, L.P.	0.48%	United States	Traditional Investment Manager
20.	Deutsche Asset & Wealth Management	0.46%	United States	Traditional Investment Manager

*COMMON STOCK EQUIVALENTS (AGGREGATE ECONOMIC INTEREST) SOURCE: CAPITAL IQ. AS OF 13-MAY-2025

**CAPITAL IQ DEFINES STRATEGIC SHAREHOLDER AS A PUBLIC OR PRIVATE CORPORATION, INDIVIDUAL/INSIDER, COMPANY CONTROLLED FOUNDATION, ESOP OR STATE OWNED SHARES OR ANY HEDGE FUND MANAGERS, VC/PE FIRMS OR SOVEREIGN WEALTH FUNDS WITH A STAKE GREATER THAN 5%.

SHAREHOLDER RIGHTS

	MARKET THRESHOLD	COMPANY THRESHOLD ¹
VOTING POWER REQUIRED TO CALL A SPECIAL MEETING	N/A	20.00%
VOTING POWER REQUIRED TO ADD AGENDA ITEM	\$2,000 ²	\$2,000 ²
VOTING POWER REQUIRED TO APPROVE A WRITTEN CONSENT	N/A	N/A

¹N/A INDICATES THAT THE COMPANY DOES NOT PROVIDE THE CORRESPONDING SHAREHOLDER RIGHT.

²UNLESS GRANDFATHERED, SHAREHOLDERS MUST OWN SHARES WITH MARKET VALUE OF AT LEAST \$2,000 FOR THREE YEARS. ALTERNATIVELY, SHAREHOLDERS MUST OWN SHARES WITH MARKET VALUE OF AT LEAST \$15,000 FOR TWO YEARS; OR SHARES WITH MARKET VALUE OF \$25,000 FOR AT LEAST ONE YEAR.

COMPANY PROFILE

FINANCIALS		1 YR TSR	3 YR TSR AVG.	5 YR TSR AVG.
	GOOGL	36.0%	9.5%	23.2%
	S&P 500	25.0%	8.9%	14.5%
	Peers*	45.3%	13.1%	22.9%
	Market Capitalization (MM \$)	2,323,530		
	Enterprise Value (MM \$)	2,328,201		
	Revenues (MM \$)	350,018		

ANNUALIZED SHAREHOLDER RETURNS. *PEERS ARE BASED ON THE INDUSTRY SEGMENTATION OF THE GLOBAL INDUSTRIAL CLASSIFICATION SYSTEM (GICS). FIGURES AS OF 31-DEC-2024. SOURCE: CAPITAL IQ

EXECUTIVE COMPENSATION	Total CEO Compensation \$10,725,043			
	1-Year Change in CEO Pay	22%	CEO to Median Employee Pay Ratio	32:1
	Say on Pay Frequency	3 Years	Compensation Grade 2024	D
	Glass Lewis Structure Rating	N/A	Glass Lewis Disclosure Rating	N/A
	Single Trigger CIC Vesting	No	Excise Tax Gross-Ups	No
	NEO Ownership Guidelines	Yes	Overhang of Incentive Plans	7.63%

CORPORATE GOVERNANCE	Election Method	Majority w/ Resignation Policy	CEO Start Date	December 2019
	Controlled Company	Yes	Proxy Access	No
	Multi-Class Voting	Yes	Virtual-Only Meeting	Yes
	Staggered Board	No	Average NED Tenure	14 years
	Combined Chair/CEO	No	Gender Diversity on Board	20.0%
	Individual Director Skills Matrix Disclosed	No	Company-Reported Racial/Ethnic Diversity on Board	N/A
	Supermajority* to Amend Bylaws and/or Charter	Yes	Age-Based Director Retirement Policy/Guideline	No; N/A
	Numerical Director Commitments Policy	Yes		

*Supermajority defined as at least two-thirds of shares outstanding

ANTI-TAKEOVER	Poison Pill	No
	Approved by Shareholders/Expiration Date	N/A; N/A

AUDITORS	Auditor: ERNST & YOUNG	Tenure: 26 Years
	Material Weakness(es) Outstanding	No
	Restatement(s) in Past 12 Months	No

SASB MATERIALITY	Primary SASB Industry: Internet Media & Services	
	Financially Material Topics:	
	- Environmental Footprint of Hardware Infrastructure - Data Security - Intellectual Property Protection & Competitive Behavior	- Data Privacy, Advertising Standards & Freedom of Expression - Employee Recruitment, Inclusion & Performance
	Company Reports to SASB/Extent of Disclosure: Yes; Selected Metrics	

CURRENT AS OF MAY 16, 2025

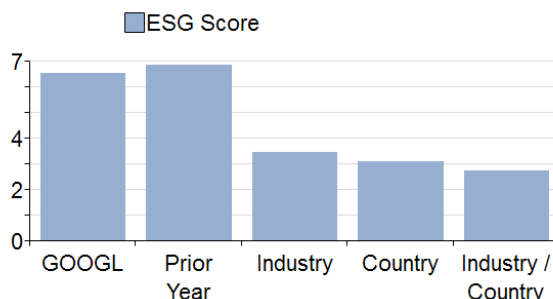
GLASS LEWIS ESG PROFILE

GLASS LEWIS ESG SCORE: 6.6 / 10

ESG SCORE SUMMARY

Board Accountability Score:	4.2 / 10	ESG Transparency Score:	7.2 / 10	Targets and Alignment Score:	8.0 / 10
Climate Risk Mitigation Score:	N/A	Biodiversity Score:	N/A		

SCORE BREAKDOWN



PRIOR YEAR ESG SCORE*	6.876
CHANGE IN ESG SCORE	-0.31
INDUSTRY	3.5 (3.07)
COUNTRY	3.1 (3.46)
INDUSTRY / COUNTRY	2.8 (3.81)

*As of our Proxy Paper for the Annual Meeting on 07-Jun-24

BOARD ACCOUNTABILITY (4.2 / 10)

Average NED Tenure	14 years	Percent Gender Diversity	20%
Director Independence	60%	Board Oversight of ESG	Yes
Board Oversight of Cyber	Yes	Board Oversight of Human Capital	Yes
Compensation Linked to E&S Metrics	N/A	Lowest Support for Directors in Prior Year*	83.0%
Prior Year Say on Pay Support*	75.5%	Annual Director Elections	Yes
Inequitable Voting Rights	Yes	Pay Ratio	32:1
Diversity Disclosure Assessment	Poor	Failure to Respond to Shareholder Proposal	No

ESG TRANSPARENCY (7.2 / 10)

Comprehensive Sustainability Reporting	Yes	GRI-Indicated Report	No
Reporting Assurance	Yes	Reporting Aligns with TCFD/IFRS S2	Yes
Discloses Scope 1 & 2 Emissions	Yes	Discloses Scope 3 Emissions	Yes
Reports to SASB	Yes	Extent of SASB Reporting	Selected Metrics
Discloses EEO-1 Report	Yes	CPA-Zicklin Score	97.1

ESG TARGETS AND ALIGNMENT (8.0 / 10)

Has Scope 1 and/or 2 GHG Reduction Targets	Yes	Has Scope 3 GHG Reduction Targets	Yes
Has Net Zero GHG Target	Yes	Reduction Target Certified by SBTi	Committed
SBTi Near-Term Target	Committed	SBTi Long-Term Target	N/A
SBTi Net Zero Target	N/A	UNGC Participant or Signatory	No
Has Human Rights Policy	Yes	Human Rights Policy Aligns with ILO, UNGP, or UDHR	Yes
Has Human Rights Due Diligence Framework	No	Has Supplier Code of Conduct	Yes
Has Biodiversity Policy	Yes	Has AI Policy	Yes

*Note: Voting results above may reflect ordinary or subordinate voting share class if applicable and/or disclosed.

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PAY-FOR-PERFORMANCE

Alphabet's executive compensation received a **D** grade in our proprietary pay-for-performance model. The Company paid more compensation to its named executive officers than the median compensation for a group of companies selected based on Glass Lewis' peer group methodology and company data. The CEO was paid more than the median CEO compensation of these peer companies. Overall, the Company paid significantly more than its peers and performed better than its peers.

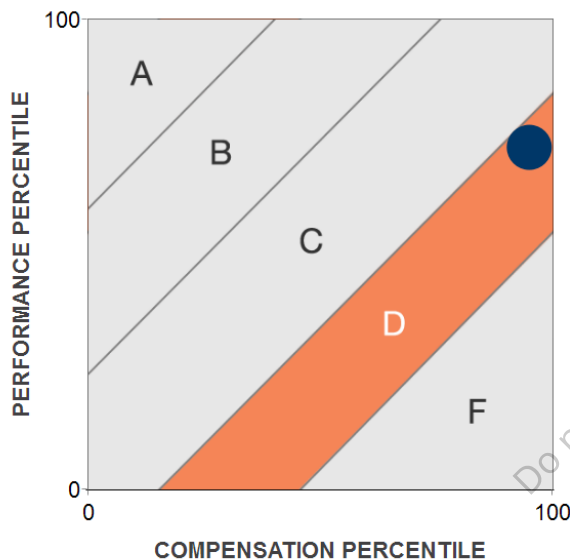
HISTORICAL COMPENSATION GRADE

FY 2024:	D
FY 2023:	D
FY 2022:	D

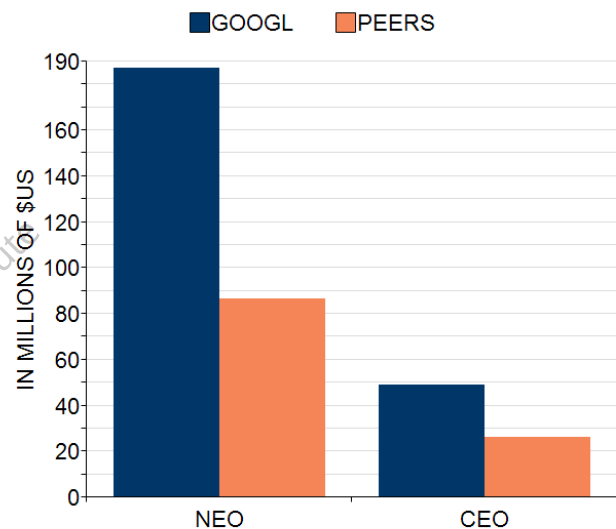
FY 2024 CEO COMPENSATION

SALARY:	\$2,015,385
GDFV EQUITY:	\$405,630
NEIP/OTHER:	\$8,304,028
TOTAL:	\$10,725,043

FY 2024 PAY-FOR-PERFORMANCE GRADE



3-YEAR WEIGHTED AVERAGE COMPENSATION

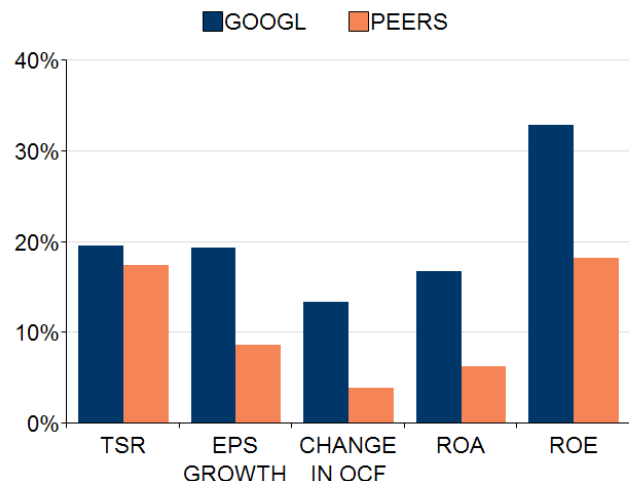


GLASS LEWIS PEERS VS PEERS DISCLOSED BY COMPANY

GLASS LEWIS	GOOGL
Amazon.com, Inc.*	Salesforce, Inc
Apple Inc.*	Oracle Corporation
AT&T Inc.	Netflix, Inc
Berkshire Hathaway Inc.	International Business Machines Corporation
Comcast Corporation*	Corporation
CVS Health Corporation	Intel Corporation
Exxon Mobil Corporation	Cisco Systems, Inc
Meta Platforms, Inc.*	
Microsoft Corporation*	
Tesla, Inc.	
The Walt Disney Company*	
UnitedHealth Group Incorporated	
Verizon Communications Inc.	
Walmart Inc.	

***ALSO DISCLOSED BY GOOGL**

SHAREHOLDER WEALTH AND BUSINESS PERFORMANCE



Analysis for the year ended 12/31/2024. Performance measures, except ROA and ROE, are based on the weighted average of annualized one-, two- and three-year data. Compensation figures are weighted average three-year data calculated by Glass Lewis. Data for Glass Lewis' pay-for-performance tests are sourced from company filings, including proxy statements, annual reports, and other forms for pay. Performance and TSR data are sourced from Capital IQ and publicly filed annual reports. For Canadian peers, equity awards are normalized using the grant date exchange rate and cash compensation data is normalized using the fiscal year-end exchange rate. The performance metrics used in the analysis are selected by Glass Lewis and standardized across companies by industry. These metrics may differ from the key metrics disclosed by individual companies to meet SEC pay-versus-performance rules.

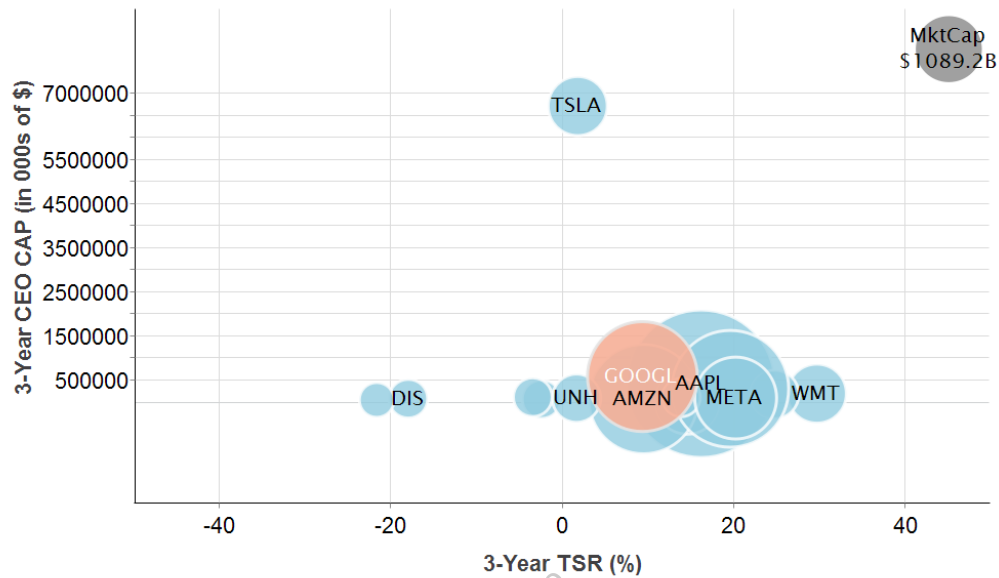
Glass Lewis peers are based on Glass Lewis' proprietary peer methodology, which considers both country-based and sector-based peers, along with each company's disclosed peers, and are updated in February and August. Peer data is based on publicly available information, as well as information provided to Glass Lewis during the open submission periods. The "Peers Disclosed by Company" data is based on public information in proxy statements. Glass Lewis may exclude certain peers from the Pay

for Performance analysis based on factors such as trading status and/or data availability.

For details on the Pay-for-Performance analysis and peer group methodology, please refer to Glass Lewis' [Pay-for-Performance Methodology & FAQ](#).

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COMPENSATION ANALYSIS



	Market Capitalization	Revenue	CEO Compensation Actually Paid	1Y TSR	3Y TSR	5Y TSR
Reference Company Percentile	87%ile	60%ile	93%ile	67%ile	47%ile	73%ile
Reference Company	\$2323.5B	\$350.0B	\$566.6M	36.0%	9.4%	23.2%
25th Percentile of Peers	\$168.3B	\$121.6B	\$51.8M	11.3%	-3.4%	-3.0%
50th Percentile of Peers	\$630.7B	\$276.2B	\$85.0M	31.4%	11.7%	14.7%
75th Percentile of Peers	\$978.0B	\$371.4B	\$162.2M	44.1%	16.2%	22.6%
Multiple of Median	3.7x	1.3x	6.7x	N/A	N/A	N/A

	COMPENSATION ACTUALLY PAID (CAP)		EPS		ROA		ROE	
Year	GOOGL	GL Peers (Median)	GOOGL	GL Peers (Median)	GOOGL	GL Peers (Median)	GOOGL	GL Peers (Median)
2024	\$215.7M	\$40.7M	\$8.13	\$5.66	16.7%	6.4%	32.9%	15.1%
2023	\$235.1M	\$24.1M	\$5.84	\$5.45	13.7%	6.1%	27.4%	18.1%
2022	\$115.8M	\$23.3M	\$4.59	\$3.66	12.9%	5.9%	23.6%	17.0%

RATIO OF 3-YEAR COMPENSATION ACTUALLY PAID TO 3-YEAR TSR					
Market Capitalization Band	GOOGL	25th Percentile	50th Percentile	75th Percentile	90th Percentile
\$4B+	5,180,866:1	212,935:1	330,617:1	522,386:1	779,790:1

	LIST OF COMPANIES
Glass Lewis Peer Group	Apple Inc (AAPL), Berkshire Hathaway Inc (BRKA), Tesla, Inc (TSLA), Walmart Inc (WMT), Exxon Mobil Corporation (XOM), The Walt Disney Company (DIS), Amazon.com, Inc (AMZN), Verizon Communications Inc (VZ), CVS Health Corporation (CVS), UnitedHealth Group Incorporated (UNH), Comcast Corporation (CMCSA), Microsoft Corporation (MSFT), AT&T Inc (T), Meta Platforms, Inc (META)

The Compensation Analysis for U.S. companies uses "compensation actually paid" figures provided by companies in proxy materials. The financial data used is based on information provided by Capital IQ. The performance metrics used in the analysis are selected by Glass Lewis and standardized across companies by industry. These metrics may differ from the key metrics disclosed by individual companies to meet SEC pay-versus-performance rules. The peer groups used in this analysis are created using Glass Lewis' proprietary peer-to-peer methodology for North American companies. For further information on the "compensation actually paid" figures, please see Glass Lewis' paper, New SEC Pay Versus Performance Disclosure Requirements. [Find the Perfect Peer Group with Glass Lewis](#)

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COMPANY UPDATES

DEI INITIATIVES

In February 2025, the Company said in an email to staff that it would no longer have aspirational hiring goals to improve representation (Kenrick Cai. "[Google scraps diversity-based hiring targets.](#)" *Reuters*. February 6, 2025). In addition, the Company's most recent annual report on Form 10-K removed a line stating the Company was "committed to making diversity, equity and inclusion part of everything we do and to growing a workforce that is representative of the users we serve." The Company had disclosed the statement in its annual reports from 2021 to 2024. A company spokesperson told *Reuters* the line was removed to reflect its review of DEI programs. In the email to staff, the Company also stated that "because we are a federal contractor, our teams are also evaluating changes to our programs required to comply with recent court decisions and U.S. Executive Orders on this topic."

ACQUISITION OF WIZ

On March 18, 2025, the Company [announced](#) that Google LLC has signed a definitive agreement to acquire Wiz, Inc., a cloud security platform, in an all-cash transaction valued at approximately \$32 billion, subject to customary closing adjustments. Upon closing, Wiz will join the Company's Google Cloud business.

VOTE RESULTS FROM THE 2024 ANNUAL MEETING

As of the record date for last year's annual meeting, Larry Page and Sergey Brin, together with the other executive officers and directors as a group (collectively, the "Inside Directors"), beneficially owned shares representing approximately 53.3% of the Company's total voting power. When evaluating the vote results on a one-share, one-vote basis, and accounting for the impact of the Company's multi-class voting structure, certain nominees and proposals received notable levels of opposition.

Specifically, if each share of Class B common stock owned by the Inside Directors were entitled to one vote per share, directors Hennessy, Arnold, Doerr, Shiram, and Washington all would have received shareholder opposition from more than approximately 26.0% of votes cast. We believe that this reduced level of support from unaffiliated shareholders may stem in part from shareholder dissatisfaction with director Hennessy and Arnold's service on the nominating and corporate governance committee during a time when shareholders may have had concerns with the Company's insufficient board gender diversity, multi-class share structure, and failure to implement a shareholder proposal approved by a majority of unaffiliated shareholders. Regarding directors Doerr, Shiram, and Washington, we believe that this reduced level of support from unaffiliated shareholders may stem in part from shareholder dissatisfaction with these directors' service on the leadership development, inclusion and compensation committee during a time when shareholders may have had concerns with the committees response to unaffiliated shareholder opposition to the advisory vote on executive compensation and failure to implement a frequency of advisory votes on executive compensation supported by unaffiliated shareholders at last year's annual meeting, in addition to director Doerr's position as an affiliated director serving on the compensation committee.

Shareholder Support of Recapitalization Proposal

In addition, a non-binding shareholder proposal to eliminate the Company's multi-class voting share structure would have received the support of approximately 69.9% of votes cast, when affording the shares owned by the Inside Directors one vote per share. A shareholder proposal to eliminate the multi-class voting structure is on the ballot again at this year's annual meeting (Proposal 8.00).

Glass Lewis Analysis

We believe these votes signal a notable level of shareholder dissatisfaction with aspects of the Company's general corporate governance, compensation programs and practices, and voting structure. Furthermore, we note that these votes do not incorporate any shareholder input from the Company's non-voting Class C common shares, its largest class of common shares. The Company has not, to our knowledge, directly addressed the votes cast by unaffiliated shareholders in any of its communications. For this reason, we believe shareholders should maintain a heightened level of scrutiny when evaluating the company's corporate governance and compensation practices. Furthermore, we recommend shareholders oppose the election of certain nominees, due to our concerns with the multi-class share structure and the board's lack of responsiveness to unaffiliated shareholder support for the proposal discussed above, as discussed further in our analysis of the election of directors in Proposal 1.00.

ANTITRUST INVESTIGATIONS

As discussed extensively in previous Proxy Papers, the Company's dominance of the online search market and of its

Android operating system has prompted scrutiny from regulators, who have been under pressure from the Company's competitors to investigate whether the Company has abused its position to unfairly promote its own products and services.

The Company continues to be the subject of ongoing inquiries and investigations from regulatory bodies including the European Commission (the "EC"), as discussed below, the U.S. Department of Justice (the "DOJ") and other regulators around the world. The Company disclosed that in August 2019 it began receiving civil investigative demands from the DOJ requesting information related to prior antitrust investigations, among other things. Further, Attorneys General from U.S. states and territories have also opened investigations into certain of the Company's business practices. The Company continues to cooperate on all matters.

Antitrust Lawsuits

On October 20, 2020, the DOJ and a number of state Attorneys General filed a lawsuit alleging that Google violated U.S. antitrust laws relating to search and search advertising. In August 2024, a federal judge ruled that Google violated such U.S. antitrust laws and engaged in illegal practices to preserve its search engine monopoly. The judge in the case agreed with the DOJ that Google suppressed competition by paying billions of dollars to phone manufacturers and other parties to be their default search engine, allowing the Company to maintain its dominant position in the market for advertising that accompanies search results (Jan Wolfe and Miles Kruppa. "[Google Loses Antitrust Case Over Search-Engine Dominance](#)." *The Wall Street Journal*. August 5, 2024).

Remedies to restore competition will be determined in a separate proceeding. The proposed remedy framework from the DOJ includes alterations to the Company's products, services, business models, and operations, including structural remedies and/or distribution arrangements, among other changes. The Company discloses that some of the proposed changes could have a material adverse effect on its business. The Company has filed its own remedies proposal ahead of a hearing on remedies in April 2025. The Company expects a decision likely in the second half of 2025, which it intends to appeal. The DOJ has urged the judge to force the Company to sell its Chrome web browser to promote enhanced competition in search (Jan Wolfe. "[Justice Department Urges Tough Action to Break Google's Search Dominance](#)." *The Wall Street Journal*. April 21, 2025).

Separately, on December 16, 2020, a number of state Attorneys General filed an antitrust complaint against Google in the U.S. District Court for the Eastern District of Texas. That lawsuit alleges that Google violated U.S. antitrust laws as well as state deceptive trade laws relating to its advertising technology. A trial was held in March 2025. In addition, on January 24, 2023, the DOJ, along with a number of state Attorneys General, filed a similar antitrust complaint in the U.S. District Court for the Eastern District of Virginia, alleging that Google's digital advertising technology products violate U.S. antitrust laws. The trial ended in September 2024. On April 17, 2025, the court [ruled](#) that Google violated antitrust law by monopolizing open-web digital advertising markets. The DOJ has suggested that the Company should be forced to sell off parts of its advertising business, including its publisher ad server and ad exchange (Jody Godoy. "[Google holds illegal monopolies in ad tech, US judge finds](#)." *Reuters*. April 17, 2025).

On July 7, 2021, a number of state Attorneys General filed an antitrust complaint against the Company in the U.S. District Court for the Northern District of California, alleging that Google's operation of Android and Google Play violated U.S. antitrust laws and state antitrust and consumer protection laws. In September 2023, the Company reached a settlement in principle with 50 state Attorneys General and three territories. The U.S. District Court subsequently vacated the trial date with the states. Final approval of the settlement remains pending before the court.

In December 2023, a jury delivered a verdict in Epic Games v. Google, finding that Google violated U.S. antitrust laws related to Google Play's business. In October 2024, a remedies decision that ordered several alterations to the Company's business models, operations, and contractual agreements for Android and Google Play was issued by the presiding judge. The Company is appealing the verdict, and the trial court judge has temporarily paused the implementation of the remedies while the case is being appealed.

The Company further states that the DOJ and state Attorneys General continue their investigations into certain aspects of the Company's business, as disclosed in the Company's most recent annual report on Form 10-K. The Company believes these complaints are without merit and states that it will defend itself vigorously.

European Commission and Other International Antitrust Investigations

The Company (more specifically, its subsidiary Google Inc.) has been the subject of an investigation by the EC Directorate General for Competition since November 2010 regarding alleged distortion of internet search results in favor of its own shopping services. In April 2015 and April 2016, the Company received statements of objections ("SO") from the EC, outlining its preliminary views that the Company had violated antitrust rules by systematically favoring its own services and abused its dominant position in the market by imposing restrictions on Android device manufacturers and mobile network operators, respectively.

On June 27, 2017, the EC announced its decision that certain display and ranking of shopping ads infringed European competition law. The Company appealed the decision, implemented changes to bring shopping ads into compliance, and recognized a charge of \$2.7 billion for the fine in the second quarter of 2017. On November 10, 2021, the appeal was rejected, and the Company subsequently filed an appeal with the European Court of Justice on January 20, 2022. In September 2024, the European Court of Justice rejected the Company's appeal and upheld the \$2.7 billion fine. The Company made a cash payment of \$3.0 billion for the fine in the third quarter of 2024.

On July 18, 2018, the EC announced its decision that certain provisions in Google's Android-related distribution agreements infringed European competition law. The Company was fined \$5.1 billion and ordered to terminate the conduct at issue. The Company has appealed the decision, implemented changes to certain of its Android distribution practices, and recognized a charge of \$5.1 billion for the fine in the second quarter of 2018. In September 2022, the court reduced the fine, and the Company reduced the charge by \$217 million accordingly. The Company's appeal in this matter remains pending.

On March 20, 2019, the EC announced its decision that certain contractual agreements with advertising and search partners that Google had infringed European competition law. The Company was fined approximately \$1.7 billion and directed to take actions related to such agreements, which the Company implemented prior to the decision. The Company has appealed the EC decision and recognized a charge of \$1.7 billion for the fine in the first quarter of 2019. In September 2024, the General Court overturned the EC decision and annulled the \$1.7 billion fine. The EC has appealed the General Court's decision with the European Court of Justice.

On June 22, 2021, the EC opened a formal investigation into Google's advertising technology business practices. The Australian Competition and Consumer Commission ("ACCC") and the United Kingdom's Competition and Markets Authority ("CMA") each opened a formal investigation into Google's advertising technology business practices on May 25, 2022, and June 29, 2022, respectively. On June 14, 2023, the EC issued a Statement of Objections (SO) informing Google of its preliminary view that Google violated European antitrust laws relating to its advertising technology. The Company responded to the SO on December 1, 2023.

In May 2022, the EC and the CMA each opened investigations into Google Play's business practices. Korean regulators are investigating Google Play's billing practices and opened a formal review in May 2022 of Google's compliance with the new app store billing regulations. In June 2022, the ACCC and the CMA each opened an investigation into the Company's search distribution practices.

In March 2024, the EC opened two investigations regarding Google's compliance with certain provisions of the EU's Digital Markets Act relating to Google Play and Search.

The Company continues to cooperate during the appeals process and has provided no further updates regarding the matters discussed above.

Glass Lewis Analysis

In our view, although legal disputes are common to many companies, shareholders should be concerned with any type of lawsuit or regulatory investigation involving the Company, as such matters could potentially expand in scope and prove to dampen shareholder value. As such, in the event that members of management or the board are implicated in any such legal proceedings, we may consider recommending that shareholders oppose the election of certain directors on that basis. However, due to the ongoing nature of the investigations, we do not feel that any such action is necessary at this time. We will continue to monitor the proceedings going forward.

1.00: ELECTION OF DIRECTORS

SPLIT

PROPOSAL REQUEST: Election of ten directors

ELECTION METHOD: Majority w/ Resignation Policy

RECOMMENDATIONS & CONCERNS:

AGAINST: **L. Page** (Less than 75% Attendance) ; **L. Doerr** (Affiliate/Insider on compensation committee) ; **J. Hennessy** (Board level diversity demographic information not fully disclosed, Insufficient board gender diversity, Insufficient disclosure of board diversity and policies, Multi-class share structure with unequal voting rights)

FOR: **S. Brin** ; **S. Pichai** ; **F. Arnold** ; **R. Chavez** ; **R. Ferguson, Jr.** ; **K. Shriram** ; **R. Washington**

DIVERSITY ALERT: One or more "AGAINST" or "WITHHOLD" election of director recommendations in this Proxy Paper is flagged for your attention because it is based, at least in part, on considerations of gender or underrepresented community diversity. Clients that wish to not vote based on such considerations should vote "FOR," absent any other concern. For more information on how Glass Lewis has modified its Benchmark Policy approach to considering certain diversity factors at U.S. companies beginning March 10, 2025, please see our [2025 Supplemental Statement on Diversity Considerations at U.S. Companies](#). If you have any questions or if you wish to update your approach to voting based on diversity considerations, please contact your Client Service Manager.

PROPOSAL SUMMARY

Shareholders are being asked to elect 10 nominees to each serve a one-year term.

BOARD OF DIRECTORS

UP	NAME	AGE	GENDER	DIVERSE ⁺	GLASS LEWIS CLASSIFICATION	COMPANY CLASSIFICATION	OWN**	COMMITTEES					TERM START	TERM END	YEARS ON BOARD
								AUDIT	COMP	GOV	NOM	E&S [^]			
✓	Sergey Brin	51	M	No	Insider 1	Not Independent	25%						1998	2025	27
✗	✓ Larry Page	52	M	No	Insider 2	Not Independent	27%						1998	2025	27
	✓ Sundar Pichai* -CEO	52	M	Yes	Insider 3	Not Independent	Yes						2017	2025	8
✗	✓ L. John Doerr	73	M	No	Affiliated 4	Independent	Yes		✓				1999	2025	26
	✓ Frances H. Arnold	68	F	No	Independent	Independent	Yes			✓	✓		2019	2025	6
	✓ R. Martin Chavez	61	M	Yes	Independent	Independent	Yes	✓				✓	2022	2025	3
	✓ Roger W. Ferguson, Jr.	73	M	Yes	Independent	Independent	Yes	C ^X				C	2016	2025	9
✗	✓ John L. Hennessy -Chair	72	M	No	Independent 5	Independent	Yes			C	C		2004	2025	21
	✓ K. Ram Shriram	68	M	Yes	Independent 6	Independent	Yes		✓				1998	2025	27
	✓ Robin L. Washington*	62	F	Yes	Independent	Independent	Yes	✓	C			✓	2019	2025	6

C = Chair, * = Public Company Executive, X = Audit Financial Expert, ✗ = Withhold or Against Recommendation

- Co-founder and former president (until December 2019). Beneficially owns 42.4% of the Company's class B common stock, representing approximately 25.2% of the Company's total voting power. From the beginning of 2024 through March 31, 2025, the Company paid approximately \$1,674,910 to BCH San Jose LLC, an entity jointly owned by Mr. Brin and Mr. Page, under a 2015 hangar license agreement. From the beginning of 2024 through March 31, 2025, the Company charged LTA Research & Exploration LLC, an entity owned by and affiliated with Mr. Brin, approximately \$9,088,533 under a license agreement for a portion of the Company's hangar space at Moffett Airfield.
- Co-founder and former CEO (until December 2019). Beneficially owns 45.5% of the Company's class B common stock, representing approximately 27.1% of the Company's total voting power. From the beginning of 2024 through March 31, 2025, the Company paid approximately \$1,674,910 to BCH San Jose LLC, an entity jointly owned by Mr. Brin and Mr. Page, under a 2015 hangar license agreement. Holds an indirect investment in Viz.ai as a limited partner of a venture fund. The Company's venture capital arm GV, invested \$17.75 million in Viz.ai between June 2018 and March 2022. Holds more than 10% equity interest in Technology Impact Growth Fund II, L.P. ("TIGF II") as a limited partner. In November 2021, the Company committed to invest up to \$100 million in TIGF II in exchange for a limited partnership. Has separately invested \$100 million in TIGF II through his investment entity and his family's charitable foundation.
- CEO of the Company and Google LLC, a wholly owned subsidiary of the Company.

4. Chair of Kleiner Perkins, which held more than 10% of the outstanding shares in Nest Labs, Inc. when it was acquired by the Company for approximately \$3.2 billion in February 2014. Kleiner Perkins was a co-investor or existing investor in entities in which the Company's venture capital arm invested approximately \$12,338,300 from the beginning of 2023 through March 31, 2024, and approximately \$83 million from the beginning of 2024 through March 31, 2025.
5. Chair. Former president (until August 2016) of Stanford University, which received approximately \$7.1 million in donations and research, licensing, consulting and engineering services in 2016.
6. Former member of the board of trustees of Stanford University, which received approximately \$7.1 million in donations and research, licensing, consulting and engineering services fees from the Company in fiscal year 2016.

+Reflects racial/ethnic diversity reported either by the Company or by another company where the individual serves as a director. Only racial/ethnic diversity reported by the Company will be reflected in the Company's reported racial/ethnic board diversity percentage listed elsewhere in this Proxy Paper, if available.

***Percentages displayed for ownership above 5%, when available*

^Indicates board oversight responsibility for environmental and social issues. If this column is empty, it indicates that this responsibility hasn't been formally designated and codified in committee charters or other governing documents.

NAME	ATTENDED AT LEAST 75% OF MEETINGS	PUBLIC COMPANY EXECUTIVE	ADDITIONAL PUBLIC COMPANY DIRECTORSHIPS
Sergey Brin	Yes	No	None
Larry Page	No	No	None
Sundar Pichai	Yes	Yes	None
L. John Doerr	Yes	No	(1) DoorDash, Inc.
Frances H. Arnold	Yes	No	(1) Illumina, Inc.
R. Martin Chavez	Yes	No	None
Roger W. Ferguson, Jr.	Yes	No	(2) Corning Incorporated ; Klarna Group plc
John L. Hennessy	Yes	No	None
K. Ram Shriram	Yes	No	(1) Yubico AB
Robin L. Washington	Yes	Yes	(1) salesforce.com, inc. E

E = Executive

PAST VOTING RECOMMENDATIONS ON DIRECTORS

A director's past conduct may be indicative of future conduct and performance. We have seen directors with a history of overpaying executives or serving on boards where avoidable disasters have occurred serving on the boards of companies with similar problems. Glass Lewis uses its proprietary database of directors serving at tens of thousands of publicly traded companies around the world to track directors across companies and reports certain past concerns for consideration.

DIRECTOR	PAST CONCERNS IDENTIFIED*
L. John Doerr	Other governance issue: AMRS <i>May 2017 AGM</i>
K. Ram Shriram	Insufficient response to shareholder dissent: GOOGL <i>Jun 2024 AGM</i>
Robin L. Washington	Insufficient response to shareholder dissent: GOOGL <i>Jun 2024 AGM</i>

**(i) The concern(s) identified above are reported for informational purposes and reflect instances in which Glass Lewis, based on all relevant facts and circumstances, identified a reportable reason to recommend against the individual's election to a board based on our then-applicable benchmark guidelines; (ii) as further explained in our policy guidelines, only certain concerns that prompted such a recommendation are reported for these purposes; these may be viewed [here](#) (iii) where multiple concerns are identified, such concerns may or may not be the same issue at the same company and therefore may not necessarily be more noteworthy or relevant than a single instance of a particular issue; (iv) this analysis is only generated where at least one of the aforementioned concerns occurred in the last five (5) full calendar years that precede the year in which the meeting subject to this Proxy Paper is taking place; e.g. between 1 Jan 2019 through 31 December 2023 for meetings in 2024.*

MARKET PRACTICE

BOARD	REQUIREMENT	BEST PRACTICE	2023*	2024*	2025*
Independent Chair	No ¹	Yes ⁶	Yes	Yes	Yes
Board Independence	Majority ²	66.7% ⁶	64%	60%	60%
Gender Diversity	N/A ⁵	N/A ⁵	27.3%	20.0%	20.0%
COMMITTEES	REQUIREMENT	BEST PRACTICE	2023*	2024*	2025*
Audit Committee Independence	100% ³	100% ⁶	100%	100%	100%
Independent Audit Chair	Yes ³	Yes ⁶	Yes	Yes	Yes
Compensation Committee Independence	100% ⁴	100% ⁶	67%	67%	67%
Independent Compensation Chair	Yes ⁴	Yes ⁶	Yes	Yes	Yes
Nominating Committee Independence	100% ⁴	100% ⁶	100%	100%	100%
Independent Nominating Chair	Yes ⁴	Yes ⁶	Yes	Yes	Yes

* Based on Glass Lewis classification

1. Nasdaq Corporate Governance Requirements
2. Independence as defined by Nasdaq listing rules
3. Securities Exchange Act Rule 10A-3 and Nasdaq listing rules

4. Non-independent member allowed under certain circumstances in Nasdaq listing rules
5. No current marketplace listing requirement
6. CII

Glass Lewis believes that boards should: (i) be at least two-thirds independent; (ii) have standing compensation and nomination committees comprised solely of independent directors; and (iii) designate an independent chair, or failing that, a lead independent director.

GLASS LEWIS ANALYSIS

We believe it is important for shareholders to be mindful of the following:

DIVERSITY POLICIES AND DISCLOSURE

FEATURE	COMPANY DISCLOSURE
Director Race and Ethnicity Disclosure	None
Diversity Considerations for Director Candidates	None
"Rooney Rule" or Equivalent	Not disclosed
Director Skills Disclosure (Tabular)	Aggregate
*Overall Rating: Poor	
Company-Reported Percentage of Racial/Ethnic Minorities on Board: N/A	

*For more information, including detailed explanations of how Glass Lewis assesses these features, please see Glass Lewis' [Approach to Diversity Disclosure Ratings](#).

The Company has provided poor disclosure of its board diversity policies and considerations. Areas to potentially improve this disclosure are as follows:

Race and Ethnicity Disclosure - The Company has not disclosed the racial/ethnic diversity of directors in a way that is both delineated from other diversity measures and on an individual basis. Glass Lewis believes that shareholders benefit from clear disclosure of racial/ethnic board diversity on an individual basis.

Diversity Considerations for Director Candidates - The Company has not disclosed that the board expressly considers both gender and race as measures of diversity within the director search process. Glass Lewis believes that shareholders benefit from clear disclosure assuring that these basic measures of diversity are a part of ongoing board refreshment considerations.

"Rooney Rule" - The Company has not disclosed a policy requiring women and minorities to be included in the initial pool of candidates when selecting new director nominees (aka a "Rooney Rule"). Glass Lewis believes that policies requiring the consideration of minority candidates are an effective way to ensure an appropriate mix of director nominees.

Skills Disclosure - The Company has not disclosed a matrix of director skills and competency by individual. Glass Lewis

believes that shareholders benefit when director skills and qualifications are disclosed in a single matrix including each individual member of the board. The board could improve its disclosure of director skills and experience by providing an individualized matrix.

SHAREHOLDER PROPOSAL RECEIVED SIGNIFICANT SUPPORT

As outlined below, the Company has previously received shareholder proposals that received significant shareholder support.

	2024 Annual Meeting Vote Results*	
	For	Against
Shareholder Proposal Regarding Recapitalization	31.33%	68.67%

*Calculations exclude abstentions.

In instances when a shareholder proposal has received at least 30% shareholder support, we generally believe boards should engage with shareholders on the issue and provide disclosure addressing shareholder concerns and outreach initiatives. In this case, we believe that the board's response to this shareholder initiative has been inadequate. When evaluating the vote results from last year's annual meeting on a one-share, one-vote basis, it appears that approximately 69.9% of unaffiliated shareholders supported this shareholder proposal at last year's meeting. As discussed below, we recommend shareholders oppose certain members of the nominating and corporate governance committee based on this lack of responsiveness, during which time the board failed to implement a shareholder proposal that was approved by a majority of unaffiliated shareholders.

CONTROLLED COMPANY

The Company has a triple-class capital structure whereby directors Page and Brin beneficially own approximately 87.9% of outstanding Class B common stock, representing approximately 52.3% of the Company's total voting power.

As discussed in previous Proxy Papers, this capital structure ensures that the Company's founders retain substantially full control of the Company and can ensure the election of each of the nominees without action on the part of any other shareholder. As such, we believe it is appropriate to consider the Company controlled for the purposes of applying our board and committee independence standards, except with regard to director Doerr's service on the compensation committee, as discussed further below.

PAY-FOR-PERFORMANCE CONCERNS

Our pay-for-performance analysis indicates that the Company has been deficient in aligning pay with performance. The members of the compensation committee have the responsibility of designing and reviewing all aspects of the compensation program for the Company's executive officers; in our opinion, a sustained disconnect between pay and performance may be a signal that the committee is not effectively serving shareholders in this regard. At this time, we refrain from recommending that shareholders oppose the election of any members of the compensation committee on this basis.

BOARD SKILLS

Glass Lewis believes that depth and breadth of experience is crucial to a properly functioning board. We believe shareholders' interests are best served when boards proactively address a lack of diversity through targeted refreshment, linking organic succession planning with the skill sets required to guide and challenge management's implementation of the board's strategy.

We have reviewed the non-employee directors' current mix of skills and experience as follows*:

BASIC INFORMATION				CORE SKILLS							SECTOR-SPECIFIC SKILLS		
Director	Age	Gender	Tenure	Core	Finance/ Risk	Legal/ Policy	Senior Exec	Cyber/ IT	E&S	HCM	Intl Sales/ Mrkts	Tech/ Eng	Comms/ Mrkting/ E-Com
John L. Hennessy	72	M	21	X		X						X	
Frances H. Arnold	68	F	6	X		X						X	
R. Martin Chavez	61	M	3	X	X		X	X			X	X	
L. John Doerr	73	M	26	X	X							X	
Roger W. Ferguson Jr.	73	M	9		X	X	X		X	X	X		
K. Ram Shriram	68	M	27	X		X	X	X	X		X	X	X
Robin L. Washington	62	F	6	X	X		X	X		X	X		X

*Please note that the above information is for guidance only and has been compiled using the Company's most recent disclosure and/or additional public sources as necessary. It is not intended to be exhaustive. For further information, please refer to the Glass Lewis [Board Skills Appendix](#).

RECOMMENDATIONS

We recommend that shareholders oppose the election of the nominees listed below based on the following:

MULTI-CLASS SHARE STRUCTURE WITH UNEQUAL VOTING RIGHTS

Nominee **HENNESSY** serves as chair of the nominating and corporate governance committee. The Company maintains a multi-class share structure with unequal voting rights and has not provided for a reasonable time-based sunset of the multi-class share structure (generally seven years or less). Specifically, shareholders of the Company's Class A common stock are provided with one vote per share, shareholders of the Company's Class B common stock are provided with ten votes per share, and shareholders of the Company's Class C common stock have no voting power.

Glass Lewis believes multi-class voting structures are typically not in the best interests of common shareholders. Allowing one vote per share generally operates as a safeguard for common shareholders by ensuring that those who hold a significant minority of shares are able to weigh in on issues set forth by the board.

We believe that it is the responsibility of the chair of the nominating and corporate governance committee to ensure that the economic stake of each shareholder matches their voting power and that no small group of shareholders, family or otherwise, has voting rights different from those of other shareholders.

ADDITIONAL GOVERNANCE CONCERNS

Additionally, we recommend that shareholders oppose the election of nominee Hennessy, as chair of the nominating and corporate governance committee, based on the following additional reasons for concern:

Board Gender Diversity

At the time of the annual meeting, the Company's board will be 20% gender diverse. Glass Lewis recognizes that a diversity of skills, thought and experience benefits companies by providing a broad range of perspectives and insights. Specifically, we believe that public company boards at companies in the Russell 3000 index should be at least 30% gender diverse, as is the case for the majority of companies in the index.

In cases where that standard is not met, we expect companies to disclose a rationale for the board's atypical level of gender diversity, or a timeline for addressing the issue. In this case, no sufficient rationale has been provided for the low level of board gender diversity, nor has a timetable been provided for reaching typical market practice for this issue.

We believe that the chair of the nominating and corporate governance committee bears responsibility for not sufficiently addressing this issue, and therefore recommend opposing the election of this director on this basis.

Insufficient Disclosure of Racial/Ethnic Minority Board Demographics

To the best of our knowledge, the Company has failed to provide disclosure of racial/ethnic minority demographic information at an overall aggregate board or individual director level in its proxy statement. We note that this disclosure was provided in last year's proxy statement, but was omitted this year. Glass Lewis believes that this disclosure is imperative to allow shareholders to measure the mix of diverse attributes of directors. We also believe that it is the responsibility of the nominating and corporate governance committee to provide clear disclosure for shareholders regarding board diversity demographics, which is the market standard for companies in the Russell 1000 Index.

Insufficient Disclosure of Director Diversity and Policies

Additionally, as noted in our diversity policies and disclosure assessment above, the Company has provided poor disclosure of its board diversity policies and considerations. Glass Lewis believes that this disclosure is important to allow shareholders to measure the mix of diverse attributes and skills of directors. We also believe that it is the responsibility of the nominating and corporate governance committee to provide shareholders with clear disclosure regarding board diversity, policies and considerations.

MAJORITY UNAFFILIATED SHAREHOLDER SUPPORT FOR SHAREHOLDER PROPOSALS

Nominees **ARNOLD** and Hennessy served as members of the nominating and corporate governance committee during which time the board failed to implement a shareholder proposal that was approved by a majority of unaffiliated shareholders. Specifically, at last year's annual meeting, a shareholder proposal requesting that the board take the necessary steps to eliminate the multi-class share structure received the approval of 31.3% of votes cast.

We also understand that, as a result of the Company's multi-class structure (as addressed above), the vote results for shareholder proposals and management proposals will be artificially depressed or buoyed (as discussed in more detail on the Company Updates page), respectively. When evaluating the vote results from last year's annual meeting on a one-share, one-vote basis, it appears that approximately 69.9% of unaffiliated shareholders supported this shareholder proposal at last year's meeting. A similar proposal also received the support of a majority of votes cast by unaffiliated shareholders at the 2021, 2022, and 2024 annual meetings.

Given this high level of unaffiliated shareholder support, we believe that the members of the committee should have taken the steps to accomplish these shareholder requests by this year's meeting. The committee does not appear to have done so. We believe this is a failure on the part of the committee to fulfill its obligations to shareholders. The Company has again received a shareholder proposal to eliminate the multi-class share structure, as discussed in more detail in Proposal 8.00. As such, it is clear that these matters have not been sufficiently addressed.

DIRECTOR ATTENDANCE

Nominee **PAGE** attended fewer than 75% of the aggregate meetings of the board and the committees on which this director served during the last fiscal year. We view this as a failure to fulfill a fundamental responsibility to represent shareholders at such meetings.

COMMITTEE COMPOSITION

Nominee **DOERR** serves as general partner of Kleiner Perkins Caufield & Byers ("Kleiner Perkins"), a venture capital firm, which held more than 10% of the outstanding shares in Nest Labs, Inc. when it was acquired by the Company for approximately \$3.2 billion in February 2014.

Kleiner Perkins was also a co-investor or existing investor in entities in which the Company's venture capital arm invested approximately \$81 million from 2019 through March 31, 2020, approximately \$32.1 million from the beginning of 2020 through March 31, 2021, approximately \$82.85 million from the beginning of 2021 through March 31, 2022, approximately \$25.9 million from the beginning of 2022 through March 31, 2023 (excluding Viz.ai, Inc.), approximately \$12,338,300 from the beginning of 2023 through March 31, 2024, and approximately \$83 million from the beginning of 2024 through March 31, 2025. Further, the Company's venture capital arm, GV, invested \$5,000,000 in Viz.ai, Inc., a private company, in June 2018. GV subsequently invested \$12,750,000 in Viz.ai from August 2019 through March 2022. Kleiner Perkins co-invested in Viz.ai alongside GV. Kleiner Perkins holds less than 20% of the outstanding equity of Viz.ai. In addition, Larry Page holds an indirect investment in Viz.ai as a limited partner of a venture fund.

Although the Company considers Mr. Doerr to be independent under NASDAQ rules, Glass Lewis considers him affiliated based on this relationship. While recognizing the controlling ownership of the Company as discussed above, we do not believe that providing a controlled company exemption to our committee independence policy is appropriate. Given that the Company holds advisory votes on executive compensation only once every three years and the low level of support received for the advisory vote on executive compensation from unaffiliated shareholders in 2023, we believe shareholders should oppose this director's election on the basis of a non-independent director being a member of the compensation committee.

DIVERSITY ALERT - This proposal is being flagged for clients' attention given one or more "AGAINST" or "WITHHOLD" election of director recommendations are based, at least in part, on considerations of gender or underrepresented community diversity. For more information, please see the Disclosure Note above.

For shareholders that **DO** wish to consider gender or underrepresented community diversity, we recommend that shareholders vote:

AGAINST

L. Page - Less than 75% Attendance

L. Doerr - Affiliate/Insider on compensation committee

J. Hennessy - Board level diversity demographic information not fully disclosed, Insufficient board gender diversity, Insufficient disclosure of board diversity and policies, Multi-class share structure with unequal voting rights

FOR

- **S. Brin** - **S. Pichai** - **F. Arnold** - **R. Chavez** - **R. Ferguson, Jr.** - **K. Shriram** - **R. Washington**

For shareholders that **DO NOT** wish to consider gender or underrepresented community diversity, we recommend that shareholders vote:

AGAINST

L. Page - Less than 75% Attendance

L. Doerr - Affiliate/Insider on compensation committee

J. Hennessy - Multi-class share structure with unequal voting rights

FOR

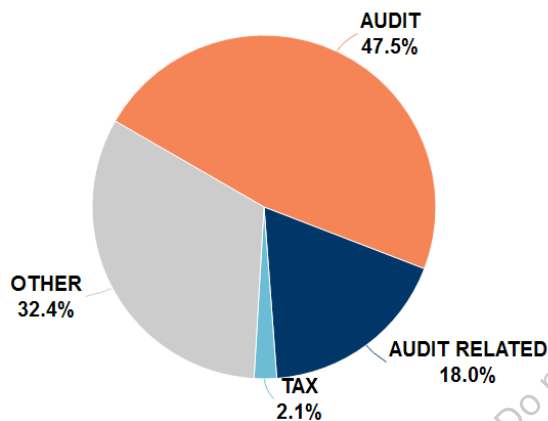
- **S. Brin** - **S. Pichai** - **F. Arnold** - **R. Chavez** - **R. Ferguson, Jr.** - **K. Shriram** - **R. Washington**

2.00: RATIFICATION OF AUDITOR

FOR

PROPOSAL REQUEST: Ratification of Ernst & Young
PRIOR YEAR VOTE RESULT (FOR): 97.5%
BINDING/ADVISORY: Advisory
REQUIRED TO APPROVE: Majority of votes cast
AUDITOR OPINION: Unqualified

RECOMMENDATIONS & CONCERNS:
FOR- No material concerns



AUDITOR FEES

	2024	2023	2022
Audit Fees:	\$31,130,000	\$28,476,000	\$27,676,000
Audit-Related Fees:	\$11,767,000	\$10,403,000	\$10,474,000
Tax Fees:	\$1,386,000	\$923,000	\$1,407,000
All Other Fees:	\$21,229,000	\$1,602,000	\$1,663,000
Total Fees:	\$65,512,000	\$41,404,000	\$41,220,000
Auditor:	Ernst & Young	Ernst & Young	Ernst & Young
1-Year Total Fees Change:		58.2%	
2-Year Total Fees Change:		58.9%	
2024 Fees as % of Revenue*:		0.019%	

* Annual revenue as of most recently reported fiscal year end date. Source: Capital IQ

Years Serving Company:	26
Restatement in Past 12 Months:	No
Alternative Dispute Resolution:	No
Auditor Liability Caps:	No
Lead Audit Partner:	Matthew Alan Sapp
Critical Audit Matter:	1
	• Loss Contingencies

GLASS LEWIS ANALYSIS

The fees paid for non-audit-related services are reasonable and the Company discloses appropriate information about these services in its filings.

We recommend that shareholders vote **FOR** the ratification of the appointment of Ernst & Young as the Company's auditor for fiscal year 2025.

3.00: SHAREHOLDER PROPOSAL REGARDING RIGHT TO ACT BY WRITTEN CONSENT

FOR

PROPOSAL REQUEST:	That the Company allow shareholders to act by written consent	SHAREHOLDER PROPONENT:	John Chevedden
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	REQUIRED TO APPROVE:	Majority of votes cast
RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:			
FOR -	Shareholder action by written consent enables shareholders to take action on important issues that arise between annual meetings		

GLASS LEWIS REASONING

- We believe the terms of this proposal are reasonable and that they will prevent abuse and waste of corporate resources while enabling shareholders to take action on important issues that arise between annual meetings;
- Given the lack of evidence of abuse of the right to act by written consent, we remain unconvinced that the Company's concerns regarding this issue are so great as to outweigh the ability of shareholders to take action through written consent; and
- There are certain inherent aspects of action by written consent that would prevent abuse of the right from harming shareholder value, such as that a majority of outstanding shares would still need to approve any proposals submitted to shareholders for written consent.

PROPOSAL SUMMARY

Text of Resolution: *Shareholders request that our board of directors take such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent.*

Proponent's Perspective

- The proponent expresses concern over the Company's stock price performance;
- To guard against the board becoming complacent, Company shareholders need the ability to act by written consent to help the Company adopt new strategies; and
- A shareholder ability to act by written consent would be a welcome incentive for directors to turn around the current long-term decline in the Company's stock price, since the continued service of the least qualified directors could be terminated by shareholders acting by written consent.

Board's Perspective

- Actions taken through a meeting, whether at an annual or special meeting of shareholders, better serve shareholders' interests because all shareholders are provided an opportunity to participate in an open, transparent, and equitable decision-making process;
- The action by written consent process could create confusion, as different shareholder groups could solicit multiple written consents simultaneously, some of which may be duplicative or contradictory, imposing significant administrative and financial burdens on the Company with no corresponding benefit to its shareholders;
- The Company's corporate governance practices provide meaningful opportunities for shareholders to communicate their priorities and concerns with the board, management, and other shareholders;
- The Company proactively engages with a number of its shareholders, providing opportunities to discuss and deliver feedback, and the Company shares the feedback from these conversations with the board, which considers these perspectives as part of its evaluation and review of the Company's practices and disclosures; and
- Written consent procedures, with its potential for abuse and disenfranchisement of a large group of shareholders, would not provide any additional benefit to the Company's shareholders.

THE PROPONENT

John Chevedden

The proponent of this proposal is John Chevedden. Based on information from companies that disclosed their proponents, during the first half of 2024, John Chevedden submitted 161 shareholder proposals that received an average of 38.6% support, with 35 proposals receiving majority support.

John Chevedden is a former [aerospace employee](#) who has pursued shareholder activism for decades. He is [reported](#) to

be the leading proponent of shareholder proposals in the U.S. annually. While his focus has long been on corporate governance, recent reports suggest he has taken on a focus on social issues, as well. In the 2024 season, in addition to submitting governance-related proposals (such as those requesting companies eliminate supermajority vote provisions or adopt a special meeting right), Chevedden submitted several proposals regarding companies' lobbying efforts and political contributions, among other things.

GLASS LEWIS ANALYSIS

Glass Lewis strongly supports the right of shareholders to effect change at their portfolio companies including by acting by written consent. In this case, we note that the proposal specifies that shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote were present and voting must support the requested action, generally a majority of outstanding shares or higher thus ensuring broad shareholder support. We believe this is a reasonable threshold that will prevent abuse and waste of corporate resources while enabling shareholders to take action on important issues that arise between annual meetings.

We recognize that the Company raises certain concerns about potential harm from abuse of the right to act by written consent. In a January 26, 2012 Proxy Talk we also heard concerns raised by several other corporate representatives similar to those raised by the Company in its response. However, given the lack of evidence of abuse of the right to act by written consent and, in particular, lack of a pattern of using written consent even to attempt to remove directors, we remain unconvinced that these concerns are so great as to outweigh the ability of shareholders to take action through written consent. Further, nothing precludes the Company from adopting safeguards to ensure all shareholders are notified of a written consent solicitation or to prevent abuse of the right.

We believe companies can implement procedural safeguards similar to those used to allow shareholders to call a special meeting. In addition, we believe there are certain inherent aspects of action by written consent that would prevent abuse of the right harming shareholder value. Most importantly, a majority of outstanding shares would still need to approve any proposals submitted to shareholders for written consent. Further, the Company could employ the same means of notifying its shareholders about the consent solicitation as it does for other shareholder meetings, both annual and special, ensuring maximum participation by shareholders who wish to consent or withhold consent.

We recommend that shareholders vote **FOR** this proposal.

4.00: SHAREHOLDER PROPOSAL REGARDING EXCLUDING SHARE REPURCHASES IN EXECUTIVE COMPENSATION

AGAINST

PROPOSAL REQUEST:	That the Company exclude the impact of share repurchases in metrics used when determining senior executive incentive compensation grants or awards	SHAREHOLDER PROPONENT:	Vermont Pension Investment Commission
BINDING/ADVISORY:	Precatory	REQUIRED TO APPROVE:	Majority of votes cast
PRIOR YEAR VOTE RESULT (FOR):	N/A		
RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:			
AGAINST - Not in the best interests of shareholders			

GLASS LEWIS REASONING

- We believe that the board generally has more and better information concerning a company's strategies and is thus in the best position to determine issues including the specifics of executive compensation plans and the execution of capital allocation strategies.

PROPOSAL SUMMARY

Text of Resolution: *RESOLVED: Shareholders urge the Board of Directors to adopt a policy that financial performance metrics shall be adjusted, to the extent practicable, to exclude the impact of share repurchases when determining the amount or vesting of any senior executive incentive compensation grant or award. Compliance with this policy shall be excused if it would cause the company to violate any existing contractual obligations or the terms of any compensation plan, but shall apply to future employment agreements and plans.*

Proponent's Perspective

- Senior executive pay should be aligned with operational results and the individual contributions of senior executives, not financial engineering;
- Stock buybacks directly affect many of the financial ratios used as performance metrics for incentive pay of senior executives, such that stock buybacks can increase earnings per share, return on assets, and return on equity;
- While stock buybacks may boost stock prices in the short term, the proponent is concerned that they can deprive companies of capital necessary for creating long-term growth;
- Senior executives are responsible for improving the Company's operational performance, whereas the board is responsible for determining when stock buybacks are appropriate;
- Academic research has shown that stock buybacks that increase earnings per share are more likely when a firm would have just missed analysts' earnings per share target, and given this potential for manipulation, senior executives should not receive larger pay packages simply for reducing the number of shares outstanding;
- In 2023, S&P 500 Index companies spent a combined total of \$795 billion on stock repurchases and another \$588 billion on dividends, totaling more than 85 percent of their reported earnings, which is a concern because retained earnings are a primary source of new investment;
- Academic research has shown that stock buybacks decrease capital expenditures and research and development spending, resulting in lower market-to-book ratios, profitability, innovation, and growth in the long-term; and
- The Company's executive compensation is primarily driven by total shareholder return, a financial ratio that can be inflated by stock buybacks.

Board's Perspective

- The compensation committee and the board are responsible for aligning executive incentives with the Company's strategy and the best interests of shareholders;
- As part of its process, the compensation committee considers key drivers of Company performance and holds executives accountable for delivering on such performance targets;
- The compensation committee regularly assesses the Company's executive compensation program, considering its strategy, market practices, and shareholder input to confirm that it remains appropriately aligned with current market practices and shareholders' interests;
- Should the Company implement this proposal, it would mean deviating from comparable metrics used by its peers and put the Company at a competitive disadvantage;
- The board regularly reviews the Company's capital needs and guides the long-term capital structure of the Company to ensure it has sufficient capital to invest for future growth;
- After determining it has sufficient liquidity for short-term and long-term planning, the Company has repurchased shares under a stock repurchase program to return value to its shareholders;
- The compensation committee considers the Company's stock repurchase approvals, as well as current outstanding repurchase authorizations and historical stock repurchase trends, when setting performance metrics for executive compensation awards;
- This proposal would limit the Company's ability to align its executive compensation arrangements with its overall capital allocation strategy and would unduly restrict the Company's ability to use all tools at its disposal to maximize alignment with shareholders' interests;
- It is unclear how this proposal might be implemented; and
- The compensation committee should retain its flexibility in determining what particular performance metrics to use to best increase shareholder value.

THE PROPONENT

Vermont Pension Investment Commission

The [Vermont Pension Investment Committee](#) ("VPIC") manages the investments for the combined assets of the Vermont State Teachers' Retirement System, the Vermont State Employees Retirement System, the Vermont Municipal Employees Retirement System, and other public Vermont Retirement Systems. As of September 30, 2024, VPIC's [assets](#) totaled over \$6.8 billion.

VPIC details how it [applies](#) ESG considerations into the management of the retirement assets and exercises its shareholder rights. With regard to its corporate engagement activities, it [states](#) that it "aims to promote the disclosure and reporting of sustainable business practices consistent with industry-recognized guidelines, such as those developed by the Value Reporting Foundation (formerly known as the Sustainability Accounting Standards Board), the Task Force on Climate-related Financial Disclosures (TCFD), as well as targets set forth by the Paris Climate Agreement."

GLASS LEWIS ANALYSIS

In general, Glass Lewis does not believe shareholders should be directly involved in the design and negotiation of compensation packages. Such matters should be left to the board's compensation committee, which can be held accountable for its decisions through the election of directors. Further, shareholders have the opportunity to voice their approval or dissatisfaction with respect to the Company's executive compensation policies, practices, and disclosure through a nonbinding, advisory vote on executive compensation. However, we note that, in this case, such a vote is conducted on a triennial basis.

This proposal is requesting that the Company adopt a policy that financial performance metrics be adjusted, to the extent practicable, to exclude the impact of share repurchases when determining the amount or vesting of any senior executive incentive compensation grant or award. The proponent has neither provided any evidence that executives repurchased shares in order to receive higher levels of compensation, that the Company's repurchases damaged shareholder value, nor that the Company engaged in egregious, illegal, or detrimental capital allocation activities.

Further, we note the Company maintains a largely discretionary short-term incentive plan, under which non-CEO NEO bonuses are determined by a subjective review of company-wide performance and individual contributions, not a formulaic approach based on achievement against pre-determined goals. Under the long-term incentive plan, the Company grants performance awards based on TSR performance. Given that the Company's awards are not excessively tied to EPS, and thus, subject to significant manipulation through the Company's use of buybacks, it is unclear how TSR could be adjusted in the manner requested by the proposal.

Moreover, the exclusion of share buybacks for executive compensation purposes could disincentivize share buybacks, many of which benefit shareholders. Further, all share buybacks must be approved by the board, thus minimizing the risks that executives would carry out share repurchases solely for the purpose of gaming the metrics on which they are evaluated for compensation purposes.

Ultimately, we believe that the board generally has more and better information concerning a company's strategies and is thus in the best position to determine issues including the specifics of executive compensation plans and the execution of capital allocation strategies. As such, we do not believe that adoption of this proposal is warranted at this time.

We recommend that shareholders vote **AGAINST** this proposal.

5.00: SHAREHOLDER PROPOSAL REGARDING REPORT ON DISCRIMINATION RISK OF CHARITABLE CONTRIBUTIONS

AGAINST

PROPOSAL REQUEST:	That the Company report on how its charitable partnerships impact its risks related to discrimination against individuals, as stated below	SHAREHOLDER PROPONENT:	Bowyer Research, Inc., on behalf of Oklahoma Tobacco Settlement Endowment Trust
BINDING/ADVISORY:	Precatory	REQUIRED TO APPROVE:	Majority of votes cast
PRIOR YEAR VOTE RESULT (FOR):	N/A		
RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:			
AGAINST - Not in the best interests of shareholders			

SASB MATERIALITY

PRIMARY SASB INDUSTRY: Internet Media & Services

FINANCIALLY MATERIAL TOPICS:

- Environmental Footprint of Hardware Infrastructure
- Data Security
- Intellectual Property Protection & Competitive Behavior
- Data Privacy, Advertising Standards & Freedom of Expression
- Employee Recruitment, Inclusion & Performance

GLASS LEWIS REASONING

- We find the Company's current disclosure regarding its charitable activities to be adequate to allow shareholders to understand how the Company is approaching this issue.

PROPOSAL SUMMARY

Text of Resolution: *Resolved: Shareholders request that the Board of Directors of Alphabet Inc. report to shareholders annually, at reasonable expense and excluding confidential information, an analysis of how Alphabet's charitable partnerships impact its risks related to discrimination against individuals based on their speech or religious exercise.*

Proponent's Perspective

- Corporations routinely use their platforms to voice support for humanitarian causes and human rights, and some of the most fundamental are the rights to free speech and religion, which are recognized by the First Amendment to the U.S. Constitution and the UN Declaration of Human Rights;
- The proponent expresses concern that many companies are supporting non-profit organizations that are influencing public policy by actively undermining free speech and religious freedom;
- A number of companies have taken steps to refocus their charitable giving to serve their diverse customers; and
- The Company should assure its shareholders that it is following through on its promises of equality for employees of diverse backgrounds, including diversity of political beliefs and religious practice, and that it is promoting fundamental freedoms that benefit every American.

Board's Perspective

- The proposal would undermine the Company's ability to effectively manage philanthropic programs, which are part of its ordinary business operations;
- Decisions regarding philanthropic contributions are best executed by members of the management team who possess the necessary expertise and insights into business needs and reputational impact;
- Google.org operates under a robust governance framework, ensuring responsible and ethical grantmaking, and its mission is to apply innovation, research, and resources to promote progress and expand opportunity for all, independent of political or religious affiliations;
- Rigorous internal procedures, including senior management oversight and explicit prohibitions against the use of Company funds to engage in political or lobbying activities, govern each grant;
- As stated in the Company's U.S. Public Policy Transparency website, the Company's support of a third-party organization does not mean that the Company endorses the organizations' agenda, its events or advocacy positions, nor the views of its leaders or members;
- Grant recipients undergo a comprehensive due diligence process, evaluated based on their social impact, scalability, and alignment with the Company's strategic objectives, and grants are subject to compliance with the Company's Legal and Ethics & Business Integrity policies, including conflict of interest checks;
- The current governance and oversight mechanisms are effective and ensure responsible philanthropic contributions, and the proposed disclosures would not enhance the Company's existing

- rigorous grantmaking process;
- Supporting free expression is core to the Company's products and services, and its platforms are important channels for people around the world to access information and express themselves freely, so the Company is committed to ensuring that its platforms remain open and accessible for everyone;
- Freedom of expression is one of the Company's key principles in serving its users, and its Code of Conduct prohibits discrimination in the workplace, including on the basis of personal beliefs and viewpoints, so that all employees can be free from harassment, intimidation, bias, and unlawful discrimination; and
- The Company ensures that individuals are treated respectfully, fairly, and compassionately in all aspects of the Company's interactions, and it applies policies, procedures, and outcomes consistently regardless of who is involved.

THE PROPONENT

Bowyer Research

[Bowyer Research](#) is an investment, macroeconomic forecasting, and corporate engagement and proxy consulting firm. The firm was founded by Jerry Bowyer, who is the former editor of the business channel of *The Christian Post* and the former host of Business in the Kingdom podcast on the Edifi Podcast network. With regard to its [principles](#) regarding proxy voting and engagement, Bowyer has developed guidelines that "are designed to appeal to investors who hold to a traditional understanding of the obligations of a company towards its shareholders--that is, a focus on shareholder capitalism as opposed to stakeholder capitalism-- and which are deeply skeptical about an ESG approach to corporate governance."

Based on the disclosure provided by companies concerning the identity of proponents, during the first half of 2024, Bowyer Research submitted eight shareholder proposals that received 1.8% average support, with none of its proposals receiving majority support.

GLASS LEWIS ANALYSIS

Glass Lewis recommends that shareholders take a close look at proposals such as this to determine whether the actions requested of the Company will clearly lead to the enhancement or protection of shareholder value. Glass Lewis believes that directors who are conscientiously exercising their fiduciary duties will typically have more and better information about the Company and its situation than shareholders. Those directors are also charged with making business decisions and overseeing management. Our default view, therefore, is that the board and management, absent a suspicion of illegal or unethical conduct, will make decisions that are in the best interests of shareholders.

COMPANY DISCLOSURE

In its response to this proposal, the Company states:

Supporting free expression is core to Google's products and services. Our platforms are important channels for people around the world to access information and express themselves freely, and we are committed to ensuring that our platforms remain open and accessible for everyone. Our values are made clear in our Code of Conduct. Freedom of expression is one of our key principles in serving our users: "Google is committed to advancing privacy and freedom of expression for our users around the world."

Our Code of Conduct also prohibits discrimination in the workplace, including on the basis of personal beliefs and viewpoints, so that all our employees can be free from harassment, intimidation, bias, and unlawful discrimination. We ensure that individuals are treated respectfully, fairly, and compassionately in all aspects of the company's interactions and apply policies, procedures, and outcomes consistently regardless of who is involved.

Further, the Company's [Google.org](#) website operates under a robust governance framework, ensuring responsible and ethical grantmaking, and its mission is to apply Google's innovation, research, and resources to promote progress and expand opportunity for everyone. The Company asserts that internal procedures, including senior management oversight and explicit prohibitions against the use of its funds to engage in political or lobbying activities, govern each grant. Additionally, grant recipients undergo a comprehensive due diligence process, evaluated based on their social impact, scalability, and alignment with the Company's strategic objectives. Moreover, grants are subject to compliance with the Company's Legal and Ethics & Business Integrity policies, including conflict of interest checks (2025 DEF 14A, p.70). It also maintains an [opportunities](#) webpage, which details the projects and organizations it supports.

It also discusses Google.org in its [2024 European Union NFRD Report](#), explaining that Google's philanthropy supports nonprofits, civic entities, and other organizations that address humanitarian issues worldwide, empowering these

organizations with a unique blend of funding, in-kind donations, and technical expertise from Google employees—supporting scalable, data-driven solutions to global challenges with the potential to produce meaningful change. It adds that Google does this by leveraging technology and data, especially artificial intelligence ("AI") and machine learning, to support the creation of free, open-sourced tools and datasets for the global community. In 2023, Google.org granted more than \$67 million to social impact organizations for projects that leverage AI to build a more sustainable world, including through two open-call funding programs launched in 2022, the [Google.org Impact Challenge on Climate Innovation](#) and [AI for the Global Goals](#) (p.11). It also states that the Google.org Impact Challenge on Climate Innovation [provided](#) \$30 million to support breakthrough projects that use information, innovation, and [AI to accelerate climate action](#). Additionally, in 2023, Google.org [launched](#) the €10 million [Social Innovation Fund on AI in Europe](#), which provides mentoring and support to entrepreneurs from underserved backgrounds to help them develop transformative AI solutions and apply them to the issues they're tackling on a daily basis. It also notes that Google.org [continues](#) to support organizations in the fight for racial justice and since 2015, it has directed more than \$40 million in cash grants and 50,000 pro bono hours through the [Google.org Fellowship](#) (p.11).

In addition, the Company's U.S. Public Policy [Transparency website](#) affirms that the Company's support of a third-party organization does not mean that Google endorses the organization's agenda, its events or advocacy positions, nor the views of its leaders or members. It also states that the Company has a policy prohibiting trade associations and other tax-exempt organizations such as 501(c)4s from using the Company's funds for political activities. The Company further discusses its public policy approach and priorities approach on its [website](#).

Finally, the Company discloses its [Code of Conduct](#), which prohibits discrimination in the workplace, including on the basis of personal beliefs and viewpoints, so that all Company employees can be free from harassment, intimidation, bias, and unlawful discrimination. It ensures that individuals are treated respectfully, fairly, and compassionately in all aspects of the Company's interactions, and the Company asserts that it applies policies, procedures, and outcomes consistently regardless of who is involved (2025 DEF 14A, p.70).

Regarding oversight, the board states that the Company's current governance and oversight mechanisms are effective and ensure responsible philanthropic contributions and that the Company maintains a rigorous grantmaking process (2025 DEF14A, p.70). Further, the [audit committee](#) reviews and discusses with management the Company's major risk exposures, including legal, regulatory, compliance, civil and human rights, and reputational risks, among others, and the steps the Company takes to prevent, detect, monitor, and actively manage such exposures. The [nominating and corporate governance committee](#) regularly oversees the Company's corporate political policies and activities, including expenditures made with corporate funds, direct corporate contributions to state and local political campaigns, and the Company's policy prohibiting trade associations and other organizations from using Company funds for political activities. In the advocacy space, the committee similarly annually reviews the lobbying activities of the Company's public policy and government affairs team.

RECOMMENDATION

Upon review, we find the Company's current disclosure of its charitable contributions and the considerations made when making them to be adequate to allow shareholders to understand how the Company is approaching this issue. As such, we do not believe that the proponent has demonstrated that the personnel and financial resources required to produce the requested report are outweighed by the potential benefits, particularly in light of the Company's already reasonable level of disclosure. Further, we do not believe the proponent has demonstrated that the Company's history of charitable giving has had any identifiable negative effect on shareholder value.

We recommend that shareholders vote **AGAINST** this proposal.

6.00: SHAREHOLDER PROPOSAL REGARDING PARTICIPATION IN HUMAN RIGHTS CAMPAIGN'S CORPORATE EQUALITY INDEX

AGAINST

PROPOSAL REQUEST:	That the Company reconsider its participation in the Human Rights Campaign's Corporate Equality Index	SHAREHOLDER PROPONENT:	National Center for Public Policy Research
BINDING/ADVISORY:	Precatory	REQUIRED TO APPROVE:	Majority of votes cast
PRIOR YEAR VOTE RESULT (FOR):	N/A		
RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:			
AGAINST - Not in the best interests of shareholders			

SASB MATERIALITY	PRIMARY SASB INDUSTRY: Internet Media & Services
	FINANCIALLY MATERIAL TOPICS: • Environmental Footprint of Hardware Infrastructure • Data Security • Intellectual Property Protection & Competitive Behavior • Data Privacy, Advertising Standards & Freedom of Expression • Employee Recruitment, Inclusion & Performance

GLASS LEWIS REASONING

- We do not believe that shareholders should be involved in day-to-day or long-term management of the Company's business decisions, including those related to the Company's participation in external surveys.

PROPOSAL SUMMARY

Text of Resolution: *Resolved: Shareholders request that the Board consider ending the Company's participation in the Human Rights Campaign's Corporate Equality Index.*

Proponent's Perspective

- The proponent expresses concern regarding the Company's receiving a perfect score on the Human Rights Campaign ("HRC")'s annual Corporate Equality Index ("CEI");
- The proponent expresses concern regarding the criteria the CEI maintains for bestowing its scores, as well as regarding the way in which CEI scores function to seemingly force companies to take political action on behalf of the HRC and others;
- Shareholder value drops when companies engage in activism, such as could be seen when Bud Light's North American revenue fell \$395 million and Target's market cap fell over \$15 billion amid backlash for politically divisive actions; and
- Recently, a number of companies ended their CEI participation, and the Company should reconsider its own participation in CEI out of its fiduciary duty to shareholders.

Board's Perspective

- Decisions regarding future participation in specific benchmarking tools are operational matters best executed by members of the Company's management team who possess the necessary expertise and strategic insights, as these decisions involve internal assessments, stakeholder consultations, and ongoing evaluations of effectiveness, all requiring management discretion;
- This proposal, which would micromanage the Company's ordinary business operations, such as the use of industry surveys, would inappropriately supplant management's judgment and undermine its ability to effectively run the Company;
- The Company engages with a broad range of organizations important to its business, its global user base, and its employees;
- The Company regularly updates its U.S. Public Policy Transparency website to provide a list of organizations that receive contributions from its U.S. Government Affairs and Public Policy team;
- The Company respects the right of third parties to shape their own policy agendas, even when they may not align with the Company's own;
- The Company seeks to operate in compliance with applicable laws, and it continuously monitors and evolves its practices, policies, and goals as appropriate to address compliance risks;
- The Company's commitment to compliance and responsible policy management is reinforced by a robust oversight structure; and
- The audit committee oversees the Company's major risk exposures, including those associated with legal, regulatory, compliance, civil and human rights, and reputational risks, while the compensation committee oversees human capital management, and the full board receives regular updates from both committees.

THE PROPONENT

The National Center for Public Policy Research

The proponent of this proposal is the National Center for Public Policy Research ("NCPPR"). The NCPPR describes itself as a "communications and research foundation supportive of a strong national defense and dedicated to providing free-market solutions to today's public policy problems" that believes "the principles of a free market, individual liberty and personal responsibility provide the greatest hope for meeting the challenges facing America in the 21st century." As NCPPR is not an investor, it does not appear to have AUM. The NCPPR [states](#) that it "trains its sights" on the following issues: (i) shareholder activism; (ii) new leadership for Black America (Project 21) (iii) environmental policy; (iv) regulatory policy; (v) fiscal policy, health care, and retirement security; (vi) government accountability and legal reform; (vii) national defense; (viii) national sovereignty; and (ix) emerging issues.

A division of the NCPPR, the [Free Enterprise Project](#) ("FEP") [describes](#) itself as the "original and premier opponent of the woke takeover of American corporate life and defender of true capitalism." It files shareholder resolutions, engages corporate CEOs and board members, submits public comments, engages state and federal leaders, crafts legislation, files lawsuits and directs media campaigns to push corporations to respect their fiduciary obligations and to stay out of political and social engineering." Based on the disclosure provided by companies concerning the identity of proponents, during the first half of 2024, NCPPR submitted 48 shareholder proposals to a vote, receiving an average of 1.9% support (with none receiving majority shareholder support).

GLASS LEWIS ANALYSIS

Glass Lewis recommends that shareholders take a close look at proposals such as this to determine whether the actions requested of the Company will clearly lead to the enhancement or protection of shareholder value. Glass Lewis believes that directors who are conscientiously exercising their fiduciary duties will typically have more and better information about the Company and its situation than shareholders. Those directors are also charged with making business decisions and overseeing management. Our default view, therefore, is that the board and management, absent a suspicion of illegal or unethical conduct, will make decisions that are in the best interests of shareholders.

BACKGROUND

The Human Rights Campaign Foundation's Corporate Equality Index

This proposal is centered around the Company's participation in the Human Rights Campaign ("HRC") Foundation's Corporate Equality Index and questions its method of using a "bad score" to ensure corporations take political action on behalf of the HRC and others. Additionally, the proponent is concerned that the Company has received a perfect CEI score since 2007. The following information provides a brief overview of the voluntary survey in which businesses may choose to participate.

The [Human Rights Campaign](#) is the nation's largest LGBTQ+ civil rights organization, and the HRC Foundation's [Corporate Equality Index](#) ("CEI") is a benchmarking tool for U.S. businesses in the evolving field of lesbian, gay, bisexual, transgender, and queer equality in the workplace. The CEI maintains the following criteria:

- Workforce protections;
- Inclusive benefits;
- Support for an inclusive culture;
- Corporate Social Responsibility; and
- Responsible citizenship.

The CEI [details](#) components for each criterion and discusses point allocations regarding its scores. The HRC Foundation [states](#) that 1,449 companies actively participated in its CEI 2025 survey.

COMPANY DISCLOSURE

In response to this proposal, the Company states:

Decisions regarding future participation in specific benchmarking tools are operational matters best executed by members of our management team who possess the necessary expertise and strategic insights. These decisions involve internal assessments, stakeholder consultations, and ongoing evaluations of effectiveness, all requiring management discretion. This proposal, which would micromanage these ordinary business operations, such as the use of industry surveys, would inappropriately supplant management's judgment and undermine our ability to effectively run the company.

We seek to operate in compliance with applicable laws, and we continuously monitor and evolve our practices,

policies, and goals as appropriate to address compliance risks. Our commitment to compliance and responsible policy management is reinforced by a robust oversight structure. Our Global Vice President of Government Affairs and Public Policy leads our policy work, with additional input from our Chief Legal Officer.

The proponent also expresses concern regarding the fact that the Company has a paid partnership with the HRC. For more information concerning the Company's charitable contributions and partnerships, please see our analysis of Proposal 5.

Regarding board oversight, the [audit committee](#) reviews and discusses with management the Company's major risk exposures, including legal, regulatory, compliance, civil and human rights, and reputational risks, among others, and the steps the Company takes to prevent, detect, monitor, and actively manage such exposures. The [leadership development, inclusion and compensation committee](#) oversees matters relating to human capital management, including with respect to inclusion, the workplace environment, and corporate culture. The full board receives regular updates from both committees (2025 DEF 14A, p.73).

RECOMMENDATION

This proposal requests that the Company consider ending its participation in the Human Rights Campaign's Corporate Equality Index, a score used to measure the Company's LGBTQ+-friendly policies and practices based on data from the Company's participation in a voluntary survey.

In this case, the Company states in response to this proposal that it engages with a broad range of organizations important to its business, its global user base, and its employees. It also regularly updates its U.S. Public Policy Transparency website to provide a list of organizations that receive contributions from its U.S. Government Affairs and Public Policy team, and it respects the right of these third parties to shape their own policy agendas, even when they may not align with its own. Given the complex perspectives of its stakeholders, and as discussed in Proposal 5, the Company provides a range of disclosures to address their concerns, such as its various transparency reports, its human capital management and human rights initiatives, its prohibition of discrimination, and its policies relating to and oversight of collaborative initiatives, among other matters.

We generally believe that shareholders should firmly assert their rights with respect to the governance of the Company; however, we do not believe that shareholders should be involved in day-to-day management of the Company's business decisions, including those related to a company's participation in external surveys. Upon review, we do not believe the proponent has sufficiently demonstrated that the Company has mismanaged its participation in these surveys to the extent that warrants shareholder intervention. As such, we do not believe shareholder support for this proposal is warranted at this time.

We recommend that shareholders vote **AGAINST** this proposal.

7.00: SHAREHOLDER PROPOSAL REGARDING DISCLOSURE RELATED TO 2030 CLIMATE GOALS

AGAINST

PROPOSAL REQUEST:	That the Company annually disclose additional information illustrating if and how it will meet its 2030 climate goals	SHAREHOLDER PROPONENT:	Trillium ESG Global Equity Fund, as lead filer, along with other co-filers
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	REQUIRED TO APPROVE:	Majority of votes cast
RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:			
AGAINST - Not in the best interests of shareholders			

SASB MATERIALITY

PRIMARY SASB INDUSTRY: Internet Media & Services

FINANCIALLY MATERIAL TOPICS:

- Environmental Footprint of Hardware Infrastructure
- Data Security
- Intellectual Property Protection & Competitive Behavior
- Data Privacy, Advertising Standards & Freedom of Expression
- Employee Recruitment, Inclusion & Performance

GLASS LEWIS REASONING

- We believe that the Company's existing disclosures adequately address the issues raised by the proponent and provide a sufficient basis for shareholders to understand how the Company is managing climate-related issues.

PROPOSAL SUMMARY

Text of Resolution: *Resolved: Given the Company's growing GHG emissions and the challenge of meeting its goals, shareholders request Alphabet disclose additional information illustrating if and how it will meet its 2030 climate goals. This disclosure should be beyond existing disclosures, at reasonable cost, omitting proprietary information, and made annually.*

Proponent's Perspective

- The Company is a recognized leader in addressing climate change, but its GHG emissions have ballooned, rising 13% higher in 2023 than the previous year and 48% higher than in 2019;
- In its 2023 10-K, the Company acknowledges that not meeting its goals creates significant risk and states that any failure, or perceived failure to meet evolving and varied stakeholder expectations and standards could harm its business, reputation, financial condition, and operating results;
- The Company identifies data centers hosting energy-intensive artificial intelligence functions as the primary cause, noting their energy consumption is outpacing the Company's ability to bring on clean energy projects;
- Despite continuing to develop clean energy projects, including a small modular nuclear reactor to be delivered by 2030, shareholders remain in the dark about the likelihood of the Company's meeting its 2030 goals and, thus, would benefit from enhanced disclosure; and
- By providing more transparency around its decarbonization planning, the Company can assure shareholders that it is prepared to meet its climate goals, thereby mitigating climate-related risks and upholding its reputation for climate leadership.

The proponent has filed an [exempt solicitation](#) urging support for this proposal.

Board's Perspective

- The Company provides information and data on its climate initiatives, including its ambitious net zero and 24/7 carbon-free energy goals, and the challenges to fully achieving them;
- The Company's annual Environmental Report provides details of the Company's net zero goal, including its scope, timeline, and base year, and the Company provides extensive reporting to allow its shareholders to understand the Company's annual performance against its goals, including its year-over-year emissions by scope, its global and regional carbon-free energy progress, related methodology descriptions, and environmental risk management details, including its climate risk assessment process;
- The Company is transparent about the challenges that it faces in reaching its goals, including increased data center energy consumption and supply chain emissions, procurement headwinds faced by the clean energy industry, and the complexities of decarbonizing certain industries and regions core to the Company's supply chain;
- The Company acknowledges that achieving net zero emissions and 24/7 carbon-free energy by 2030 are ambitious goals, and that its path will not be easy or linear;
- The Company's current practices provide sufficient information to allow shareholders to understand the Company's climate goals, the programs and strategies that it is employing to meet them, and its latest progress and challenges;
- The Company is constantly evolving its disclosures to align with best practices and expectations, including compliance with regulatory frameworks; and
- Preparing a separate, bespoke report as requested by the

proponent would be duplicative and inefficient, administratively burdensome, and an ineffective use of the Company's resources.

THE PROPONENT

Trillium Asset Management

Trillium Asset Management [states](#) that it is an "impact-driven, ESG-focused firm dedicated to aligning values with investment objectives," and that its "commitment to active ownership and shareholder advocacy has contributed to concrete and positive change." As of December 2024, Trillium maintained \$6.1 billion in AUM. It further details its operations, stating in a recent [advocacy impact report](#) that it:

"offers investment strategies and services that advance humankind towards a global sustainable economy, a just society, and a better world. For nearly 40 years, the firm has been at the forefront of ESG thought leadership and draws from decades of experience focused exclusively on responsible investing. Trillium uses a holistic, fully integrated fundamental investment process to uncover compelling long-term investment opportunities. Devoted to aligning stakeholders' values and objectives, Trillium combines impactful investment solutions with active ownership. The firm delivers equity, fixed income, and alternative investments to institutions, intermediaries, high net worth individuals, and other charitable and non-profit organizations with the goal to provide positive impact, long-term value, and 'social dividends'."

Trillium also provides information on its advocacy efforts, [stating](#) that it is "fundamental to [its] mission and [its] fiduciary responsibility to engage with the companies that [it] hold[s] on behalf of [its] clients and policymakers to press for positive change on ESG topics or opportunities that [it] believe[s] will help improve ESG policies, performance, or impact."

Based on the disclosure provided by companies concerning the identity of proponents, during the first half of 2024, Trillium Asset Management submitted nine shareholder proposals that received an average of 13.6% support (excluding abstentions and broker non-votes), with one proposal receiving majority support.

GLASS LEWIS ANALYSIS

In general, we believe it is prudent for management to assess its potential exposure to all risks, including environmental and social concerns and regulations pertaining thereto in order to incorporate this information into its overall business risk profile. When there is no evidence of egregious or illegal conduct that might suggest poor oversight or management of environmental or social issues that may threaten shareholder value, Glass Lewis believes that management and reporting of environmental and social issues associated with business operations are generally best left to management and the directors who can be held accountable for failure to address relevant risks on these issues when they face re-election.

In this case, the Company is a collection of businesses, the largest of which is Google. The Company reports Google in two segments, Google Services and Google Cloud, and all other non-Google businesses collectively as Other Bets (2024 10-K, p.4). It owns and leases office facilities and data centers around the world, primarily in Asia, Europe, and North America (p.26). The Company expects to increase, relative to 2024, its investment in its technical infrastructure, including servers, network equipment, and data centers, to support the growth of its business and its long-term initiatives, in particular in support of artificial intelligence ("AI") products and services (p.42). Given the nature and scope of the Company's operations, it could be subject to significant risks with respect to both climate change and the regulatory implications or investor pressures that come as a result of climate change.

REGULATIONS CONCERNING COMPANIES' CLIMATE-RELATED DISCLOSURE

Under the Biden administration, there was a significantly increased focus on corporate disclosures concerning companies' climate risks. For example, in February 2021, the SEC [announced](#) the creation of a new role of Senior Policy Advisor for Climate and ESG in the office of Acting Chair Allison Herren Lee. The following month, the SEC [announced](#) the creation of a Climate and ESG Task Force in the Division of Enforcement, which will develop initiatives to proactively identify ESG-related misconduct. Its initial focus will be to identify any material gaps or misstatements in issuers' disclosure of climate risks under existing rules, while it will also evaluate and pursue tips, referrals, and whistleblower complaints on ESG-related issues, and provide expertise and insight to teams working on ESG-related matters across the Division. Additionally, the SEC is [asking](#) its staff to evaluate its disclosure rules "with an eye toward facilitating the disclosure of consistent, comparable, and reliable information on climate change." To facilitate the staff's assessment, the SEC provides several questions that would be useful to consider; one reads: "What are registrants doing internally to evaluate or project climate scenarios, and what information from or about such internal evaluations should be disclosed to investors to inform investment and voting decisions?" However, the SEC confirmed in September 2024 that it had recently disbanded the Climate and ESG Task Force (Andrew Ramonas. "[SEC Abandons ESG Enforcement Group Amid Broader Backlash \(1\)](#)." *Bloomberg Law*. September 12, 2024).

In 2021, Gary Gensler, then-chair of the SEC indicated that he will work to provide investors with meaningful climate risk

disclosures, and these efforts may be supported by regulators or new rules to that effect. In preparation for increased regulation and enforcement propelling existing market trends, companies have taken a number of actions including assigning some responsibility for oversight of published climate data to the audit committee (Kirkland & Ellis. “ [Improving Climate Governance Under the Biden Administration](#).” *Corporate Secretary*. March 23, 2021). This is consistent with the Task Force on Climate-related Financial Disclosures, which states:

A company should ensure its strategy and scenario disclosures comply with sound corporate reporting principles and are subject to appropriate controls and quality checks, including oversight and review by boards, audit committees, and management.

On March 21, 2022, the SEC announced [proposed rules](#) on climate disclosure, which are intended to provide companies "with a more standardized framework to communicate their assessments of climate-related risks as well as the measures they are taking to address those risks" in addition to increasing the "consistency, comparability, and reliability of climate-related information for investors." Alongside a number of other disclosures, the proposed rules would require companies to provide in their regulatory filings:

- Footnotes in financial statements detailing the impact of climate-related events (severe weather events as well as physical risks) and transition activities on the line items of their consolidated financial statements. These footnotes would also detail related expenditures, as well as the effect of climate-related events and transition activities on the companies' financial estimates and assumptions.
- Climate-related risks that are reasonably likely to have a material impact on the company's business or consolidated financial statements over the short, medium, and long term. Companies would also have to describe how any identified climate-related risks have affected or are likely to affect the company's strategy, business model, and outlook, as well as their processes for identifying, assessing, and managing climate-related risks. The proposed rules would also require companies to provide specified details if they have: (i) adopted a transition plan; (ii) used scenario analysis; or (iii) used an internal carbon price.

In early March 2024, the SEC [approved](#) a final rule requiring climate disclosure from some public companies but with revisions that weakened the directive. The Commission stated that it considered more than 24,000 comment letters, including more than 4,500 unique letters, regarding the proposed rule before voting on the final version. Notably, the ruling, which was supported by three Democratic commissioners and opposed by two Republican commissioners, does not require companies to report their Scope 3 emissions, as originally proposed. Further, while it does require that impacted companies report Scope 1 and 2 emissions, it stipulates that they only have to report those Scope 1 and 2 emissions that they deem material, with smaller companies not having to report any emissions at all. Companies providing disclosure will also have to include things such as expected costs of moving away from fossil fuels and risks related to physical impacts exacerbated by climate change. The SEC estimated that approximately 2,800 U.S. companies and approximately 540 foreign companies with businesses in the U.S. will have to make disclosures under the new rule (Suman Naishadham. "[SEC Approves Rule Requiring Some Companies to Report Greenhouse Gas Emissions. Legal Challenges Loom](#)." *AP News*. March 6, 2024).

The largest companies will begin reporting emissions for fiscal year 2026, and smaller companies will have to disclose some information, excluding emissions, for the fiscal year 2027. Just after the vote on the final rule, ten states filed a challenge with the U.S. Court of Appeals for the 11th Circuit, announced by West Virginia's attorney general. Many following the SEC's two-year process to develop the rule believed that the changes, including the removal of Scope 3 emissions disclosure, were made to minimize the risk of litigation. Those supporting climate disclosure, however, voiced concern that the changes have greatly diminished the power of the directive (Suman Naishadham. "[SEC Approves Rule Requiring Some Companies to Report Greenhouse Gas Emissions. Legal Challenges Loom](#)." *AP News*. March 6, 2024).

The SEC issued an [order](#) on April 4, 2024, pausing implementation of its controversial climate disclosure rules pending a decision on the regulations by the Eighth Circuit. The nine lawsuits challenging the rules, which were filed in six different circuit courts, were consolidated into one suit on March 21 through a lottery. The Eighth Circuit was designated as the court to hear that suit. Despite putting a stay on its rules, the SEC says in the order that it "is not departing from its view that the final rules are consistent with applicable law and within the commission's long-standing authority to require the disclosure of information important to investors in making investment and voting decisions." The commission also vows to "vigorously defend the final rules' validity in court."

In an August 2024 court brief, the SEC defended its ability to require climate-related disclosures, stating that the 1933 Securities Act and 1934 Securities Exchange Act empowered it to require corporations to report details investors need to make informed decisions. The agency's argument was in response to the Supreme Court's recent decision in *Loper Bright Enterprises v. Raimondo*, which limits federal agencies' ability to defend some regulations by rolling back judicial deference to rulemaking decisions (Andrew Ramonas. "[SEC Climate Regulations Spared in Chevron Ruling. Agency Says](#)." *Bloomberg Law*. August 6, 2024).

In February 2025, the acting chair of the SEC, Mark Uyeda, [instructed](#) staff to ask the U.S. Eighth Circuit Court of Appeals

not to schedule arguments relating to the agency's climate risk disclosure rule. The acting chair cited various objections to the rule, such as that the SEC lacked the authority to address climate change issues, in addition to listing the recent change in the composition of the SEC and President Trump's memorandum regarding a regulatory freeze as reasons to delay. He requested time for the Commission to deliberate and determine the appropriate next steps.

State-Level Climate Disclosure Laws

Despite an uncertain future for federal climate disclosure laws, several states have introduced their own bills to require climate disclosure. For example, New York, Colorado, New Jersey, and Illinois have introduced bills that would require companies making more than \$1 billion in annual revenue and doing business in their states to report direct and indirect GHG emissions every year or risk civil action from their respective attorneys general (Drew Hutchinson. " [States Advance Climate Disclosure Proposals As SEC Steps Back](#)," *Bloomberg Law*. February 28, 2025). Most notably, however, California has also introduced legislation aimed at increasing corporate climate disclosure.

In October 2023, California Governor Gavin Newsom signed rules into law requiring companies that are active in the state and generate revenue of more than \$1 billion annually to publish a comprehensive account of their carbon emissions beginning in 2026. It is estimated that the new laws apply to about 1,400 U.S.-listed companies (Isla Binnie. " [Companies Fear Lawsuits from California's Climate Disclosure Rules](#)," *Reuters*. October 12, 2023).

The [Climate Corporate Data Accountability Act](#), requires certain companies to disclose their direct, indirect, and value chain GHG emissions, and the [Climate-Related Financial Risk Act](#), requires certain companies to disclose climate-related financial risks pursuant to the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations (Loyti Cheng, et al. " [California Enacts Major Climate-Related Disclosure Laws](#)," Harvard Law School Forum on Corporate Governance. October 22, 2023).

The California legislation was supported by several large companies, including Microsoft, Apple, and Ikea (Isla Binnie. " [California Senate Passes Climate Bill, Governor Must Decide by Oct 14](#)," *Reuters*. September 13, 2023). However, the U.S. Chamber of Commerce, along with the American Farm Bureau Federation and several California business groups filed a lawsuit in Los Angeles federal court in January 2024 seeking to overturn the new climate disclosure laws, citing "massive" costs on businesses and violating free speech protections in the U.S. Constitution by mandating disclosures of GHG emissions and climate-related financial risks (Clark Mindock. " [California's Landmark Climate Disclosure Laws Challenged by Business Groups](#)," *Reuters*. January 30, 2024). Notably, unlike the SEC rules, California's laws do require companies to report on their Scope 3 emissions (Heny Engler. " [Companies Need to Integrate Climate Reporting Across Functions to Comply with California's New Law](#)," *Reuters*. October 20, 2023).

In May 2024, Governor Newsom [revised](#) California's 2024-2025 budget proposal to include \$22 million to fund the state's corporate climate disclosure laws, SB 253 and SB 261, among other climate programs (Leah Garden. " [California Proposes \\$22 Million for Climate Disclosure Law](#)," *GreenBiz*. May 16, 2024). However, in July 2024, he proposed [amendments](#) to the climate laws that would postpone their implementation by two years. The proposed amendments would delay reporting on Scopes 1 and 2 until 2028, and Scope 3 until 2029. The amendments would also give the California Air Resources Board more flexibility in creating the rules and phasing in Scope 3 reporting (Emmy Hawker. " [Newsom Delays California Climate Disclosures](#)," *ESG Investor*. July 16, 2024). Nevertheless, the California legislature rejected Newsom's proposed amendments and instead passed [SB 219](#), which provided the government regulatory agencies an additional six months to draft the regulation, but did not delay the effective date for the companies subject to the disclosure. On September 27, 2024, Newsom signed the bill (Jacob H. Hupart. " [California Governor Newsom Signs Bill Re-Affirming 2026 Start Date for Climate Disclosures](#)," *The National Law Review*. October 2, 2024).

Recently, the California Air Resources Board ("CARB") issued an [enforcement notice](#) for SB 253 in December 2024, stating that subject companies making a good-faith effort to comply with the rule will not face penalties for incomplete Scope 1 and Scope 2 GHG emissions disclosures, and may submit initial disclosures in 2026 based on data they possess, or are in the process of collecting. Shortly after, CARB also began soliciting [public comment](#) on SB 216 to guide, among other things, the definition of "doing business" in California, cost-effective methods to identify businesses that meet reporting thresholds, and incorporating external protocols and standards while ensuring regulations meet California-specific needs and continue to align with such protocols and standards. The deadline to submit public comments was set to late March 2025 (Paul C. De Bernier, Stephanie M. Hurst, Anthony Felix. " [California's Climate Disclosure Laws: Navigating the Latest Updates](#)," *Mayer Brown*. February 21, 2025).

DATA CENTER ENERGY USAGE

As part of its rationale for this proposal, the proponent states that the Company identifies data centers hosting energy-intensive AI functions as the primary cause for the large increase in the Company's GHG emissions, noting their energy consumption is "outpacing" its ability to bring on clean energy projects.

[Data centers](#) are generally used to house servers, storage systems, networking equipment, cooling and environmental control, uninterruptible power supply batteries and backup power generators, and other infrastructure related to AI model

training and deployment. AI capabilities have quickly [accelerated](#), due to falling computation costs, a surge in data availability, and technical breakthroughs. Moreover, in the past few years, AI has shifted from an academic pursuit to a commercial industry with trillions of dollars in market capitalization and venture capital. For example, the market capitalization of AI-related firms in the S&P 500 has grown by around \$12 trillion since 2022. However, AI technology requires significant amounts of energy, with the typical AI-focused data center consuming as much electricity as 100,000 households, with some requiring up to 20 times that much.

Global Energy Demand for AI Data Centers

Data centers are relatively new actors in the global energy system. However, in 2024, electricity consumption from data centers was [estimated](#) to equal about 415 terawatt hours ("TWh") or about 1.5% of global electricity consumption, marking a 12% per year increase over the last five years.

Because the rise in the use of AI is [accelerating](#) the [deployment](#) of high-performance accelerated servers, leading to greater power density in data centers, understanding the place and scale of accelerator adoption is critical, given that it will be a key determinant of future electricity demand. Moreover, there is substantial uncertainty both about data center consumption today and in the future, and while the technology sector moves quickly and a data center can be operational in two to three years, the broader energy system requires longer lead times to schedule and build infrastructure, which often requires extensive planning, long build times, and high upfront investment. In addition, data centers tend to concentrate in specific locations, making their integration into the grid potentially more challenging.

The IEA provides four [scenarios](#) (Base, Lift-Off, High Efficiency, and Headwinds) forecasting global electricity demand associated with data centers, with each scenario forecasting an increase in electricity demand, though the Headwinds scenario, which imagines slower than expected AI adoption, only increases to less than 2% in 2035. The agency [concludes](#) that data center electricity consumption is set to more than double to around 945 TWh by 2030, with the U.S. accounting for by far the largest share, followed by China. In fact, in December 2024, the U.S. Department of Energy ("DOE") [released](#) a [report](#) forecasting that domestic energy usage from data centers would double or triple by 2028. For example, data centers consumed about 4.4% of total U.S. electricity in 2023, and that amount was expected to grow to 6.7-12% of total U.S. electricity by 2028.

Concerns Regarding Data Center Energy Demand at the Company

In 2023, Fort Wayne, Indiana, approved a more than \$55 million property tax break over ten years for a data center to be built by a "mystery developer" that turned out to be the Company. Despite clean energy goals at the Company, Microsoft, and Amazon, residents in Indiana are concerned about the companies' plans to build data centers in the area, as two local utilities filed plans with the state regulatory commission indicating new natural gas-fired generation would be built to create gigawatts of energy to meet data center demand. To help alleviate local concerns, the Company, Microsoft, and Amazon Web Services signed an agreement in November 2024 with Indiana's Office of Utility Consumer Counselor, I&M, to ensure that the cost of new generation and grid upgrades is not passed on to regular customers. Further, as part of the agreement, the three companies were required to provide collateral in the early years of operation, sign at least 12-year contracts, and agree to pay 80% of their expected demand each month, which would help prevent customers from having to pay for a stranded asset should demand end up being lower than expected or if a facility closed prematurely (Kari Lydersen. " [Indiana Advocates Press for Data Center Pause Amid Rising Energy Demand](#)." *Canary Media*. February 17, 2025).

In October 2024, the Company signed an agreement with Kairos Power to buy power from multiple small modular reactors to meet electricity demand for AI. According to the agreement, the Company would buy 500 megawatts of power from six to seven reactors, and the Company and Kairos would work to bring Kairos' first small modular reactor online by 2030, adding other deployments through 2035. However, the agreement did not specify where the small modular reactors would be located in the U.S. Meanwhile, some critics said the reactors would likely not achieve the economy of scale of larger plants and would likely create long-lasting nuclear waste for which the U.S. does not have a repository (Timothy Gardner. " [Google to Buy Power for AI Needs from Small Modular Nuclear Reactor Company Kairos](#)." *Reuters*. October 14, 2024).

More recently, Google announced a \$10 million grant for electrical worker nonprofits "to alleviate power project backlogs and electricity shortfalls" across the U.S. It also planned to train tens of thousands of new U.S. electricians as part of its efforts to address AI electricity demand, which had increased so much that President Trump declared a national emergency to speed up permitting for generation and transmission projects. Google also announced a plan to partner with the largest U.S. regional electrical grid, operated by PJM Interconnection, to use AI technologies to get new electricity supplies and power lines connected faster. In addition, it signed an agreement to purchase advanced geothermal energy for its data centers, and released a white paper discussing ways to speed up expansion of the grid (Laila Kearney. " [Google Funding Electrician Training as AI Power Crunch Intensifies](#)." *Reuters*. April 30, 2025).

THE COMPANY'S CLIMATE-RELATED RISKS

In its most recent 10-K, the Company acknowledges that it has experienced and/or may in the future experience the effects of climate change (such as sea level rise, drought, flooding, heat waves, wildfires and resultant air quality effects and power shutdowns associated with wildfire prevention, and increased storm severity), power and transmission availability, and significant changes in the financial or business condition of its suppliers. The Company explains that some of the components it uses in its technical infrastructure and its devices are available from only one or limited sources, and the Company may not be able to find replacement vendors on favorable terms in the event of a supply chain disruption. The Company adds that a significant supply interruption that affects it or its vendors could delay critical data center upgrades or expansions and delay consumer product availability (2024 10-K, p.14).

It also explains that the availability of its products and services and fulfillment of its customer contracts depend on the continuing operation of its information technology and communications systems, and that its systems are vulnerable to natural disasters and the effects of climate change. The Company then affirms that some of its data centers are located in areas with a high risk of major earthquakes or other natural disasters, and that some of its systems are not fully redundant. It further states that the occurrence of a natural disaster or closure of a facility, or other unanticipated problems affecting its data centers could result in lengthy interruptions in its service (2024 10-K, p.14).

Additionally, the Company states that it is subject to evolving laws, regulations, policies, and international accords relating to matters beyond its core products and services, including environmental sustainability and climate change. In response, the Company asserts that it has implemented robust programs, adopted reporting frameworks and principles, and announced a number of complex and ambitious goals and initiatives that may require considerable investment. However, it acknowledges that it cannot guarantee that its goals and initiatives will be fully realized on the timelines it expects or at all, and projects that are completed as planned may not achieve the results the Company anticipates (2024 10-K, p.20).

COMPANY AND PEER DISCLOSURE

Company Disclosure

In its response to this proposal, the Company states:

We provide extensive reporting to allow our stockholders to understand our annual performance against our goals, including our year-over-year emissions by scope, our global and regional carbon-free energy progress, related methodology descriptions, and environmental risk management details, including our climate risk assessment process.

Importantly, we are also transparent about the challenges that we face in reaching our goals, including increased data center energy consumption and supply chain emissions, procurement headwinds faced by the clean energy industry, and the complexities of decarbonizing certain industries and regions core to our supply chain. We acknowledge that achieving net-zero emissions and 24/7 carbon-free energy by 2030 are ambitious goals, and that our path will not be easy or linear.

The Company discusses its climate targets and recent progress in its latest [Environmental Report](#), including its goal to run on 24/7 carbon-free energy on every grid where it operates by 2030, and reduce 50% of its combined Scope 1, 2 (market-based), and 3 absolute emissions (compared to its 2019 base year) by 2030. Regarding its progress, the Company affirms that it maintained a global average of approximately 64% carbon-free energy across its data centers and offices from 2022 to 2023, despite growth in electricity demand over this period. Nevertheless, it discloses that its total GHG emissions were 14.3 million tCO₂ e, representing a 13% year-over-year increase and a 48% increase compared to its 2019 target base year, primarily due to increases in data center energy consumption and supply chain emissions (p.7). The Company explains that its increase in Scope 2 emissions was due to data center electricity consumption outpacing its ability to bring more carbon-free energy ("CFE") projects online, specifically in the U.S. and Asia-Pacific region, CFE contracts terminating prior to those projects becoming operational, and the current mismatch between its approach to CFE and the GHG Protocol's Scope 2 guidance. It adds that its Scope 2 emissions increased despite the Company's achieving a 100% global renewable energy match. It then discusses energy management, including its energy-efficient compute infrastructure and states that it piloted a new demand response capability. The Company further examines in more detail why its Scope 2 emissions increased despite achieving a global 100% renewable energy match and maintaining 64% carbon-free energy. It also asserts that its pursuit of 24/7 CFE remains one of its primary approaches to reducing its Scope 2 emissions, but that it will continue to evaluate all high-quality options to manage Scope 2 emissions in the future (pp.33-34).

Despite the increasing energy demands, the Company [states](#) that data centers are a key part of the Company's journey towards net zero carbon, and that it is actively working on ways to reduce the amount of GHG emissions from its data center construction by reducing the quantity of materials required to build its data centers as well as using more sustainable materials such as green concrete and renewable diesel in construction activity. The Company maintains a [webpage](#) dedicated to its data centers, which are in 11 countries and 29 locations worldwide. It [explains](#) that a Company-owned and -operated data center is, on average, approximately 1.8 times as energy efficient as a typical

enterprise data center. It adds that, in 2023, the average annual power usage effectiveness for its data centers was 1.10 compared with the industry average of 1.58, meaning that its data centers used about 5.8 times less overhead energy for every unit of IT equipment energy. It notes that last year, the Company introduced a [water risk framework](#) to further identify climate-conscious [cooling solutions](#) that consider carbon-free energy availability, watershed health, and future water needs. It also affirms that it sees its growing infrastructure as an opportunity to drive the innovations and investments needed to power a low-carbon economy (p.3).

The Company also [discusses](#) responsibly managing the resource consumption of AI, stating that while AI offers new solutions for climate action, it also has its own environmental impact. It then discusses the Company's impact, and discloses that based on the most recent estimates as of 2022, global data center electricity consumption is 240-340 TWh, or around 1%-1.3% of global electricity demand. Using these estimates as a proxy for 2023, Google's data center consumption of more than 24 TWh in 2023 translates to approximately 7%-10% of global data center electricity consumption and approximately 0.1% of global electricity demand. It then states that while data centers consume electricity and contribute to emissions, cloud and hyperscale data centers collectively represent only an estimated 0.1%-0.2% of global GHG emissions, based on the most recent global estimates as of 2022. It affirms that, in 2023, its total data center electricity consumption grew 17%, despite maintaining a 100% global renewable energy match. It adds that as the Company's infrastructure continues to power the digital transition, it expects this trend to continue in the future, but the Company sees its growing infrastructure as an opportunity to drive the innovations and investments needed to power a low-carbon economy (p.12).

Additionally, it [states](#) that overall, total GHG emissions increased by 13%, highlighting the challenge of reducing emissions while compute intensity increases and the Company grows its technical infrastructure investment to support the AI transition. It further states:

Predicting the future environmental impact of AI is complex and evolving, and our historical trends likely don't fully capture AI's future trajectory. As we deeply integrate AI across our product portfolio, the distinction between AI and other workloads will not be meaningful. So, we're focusing on data center-wide metrics since they include the overall resource consumption (and hence, the environmental impact) of AI.

AI is at an inflection point and many factors will influence its ultimate impact—including the extent of AI adoption, our ability to mitigate its footprint, and the pace of continued innovation and efficiency. Additionally, system-level changes are needed to address challenges such as grid decarbonization, evolving regulations, hard-to-decarbonize industries, and the availability of carbon-free energy. While we remain optimistic about AI's potential to drive positive change, we're also clear-eyed about its potential environmental impact and the collaborative effort required to navigate this evolving landscape.

It also affirms that it is committed to responsibly managing the environmental impact of AI by deploying three major strategies: model optimization, efficient infrastructure, and emissions reductions (p.12). It provides additional information in its May 2025 white paper, [Powering a New Era of American Innovation](#), discussing, among other things: (i) accelerating innovation and investment in advanced energy generation; (ii) optimizing the use of the existing grid and unlocking construction of new transmission infrastructure; and (iii) developing the labor force required to construct new American infrastructure, including training programs for electricians.

The Company also discloses its 2024 [CDP climate change response](#), detailing progress against its absolute emissions targets, its net zero target, and low-carbon energy consumption and production (pp.113-127). It also provides details on its climate transition scenario analysis (pp.39-42), and maintains a climate transition plan aligned with a 1.5°C world (pp.43-44). Further, the Company discusses its [carbon removal strategy](#) (p.44), and states that it plans to invest in nature-based and technology-based carbon removal solutions to neutralize its remaining emissions (pp.121,126).

Finally, oversight of environmental sustainability primarily resides with the [audit and compliance committee](#) of the Company's board, which reviews and discusses with management the Company's risk exposures, including those related to environmental sustainability, which can include climate-related issues, and the steps that the Company takes to detect, monitor, and actively manage such exposures. The chief sustainability officer keeps the audit and compliance committee apprised of climate-related issues, and raises these issues on an as-needed basis. Climate-related issues may also be added to the agenda for meetings of the full board on an as-needed basis (pp.24-25).

Peer Disclosure

To compare, **Amazon.com, Inc.** (NASDAQ: AMZN) discloses its enterprise-wide carbon footprint for the years 2019 to 2023 in its latest [Sustainability Report](#), and the data includes emissions from direct operations (Scope 1), emissions from purchased electricity (Scope 2), and also emissions from indirect sources (Scope 3). The firm breaks down Scope 3 emissions into categories including: (i) purchased goods and services (Amazon corporate purchases made for the firm's operations and services, and Amazon-branded products); (ii) capital goods; (iii) fuel- and energy-related activities; (iv) upstream transportation and distribution; (v) business travel; (vi) employee commuting; (vii) downstream transportation

and distribution; (viii) use of sold products (Amazon devices); and (ix) end-of-life treatment of sold products (Amazon devices). The firm specifies that its Scope 2 and 3 carbon emissions are calculated using a market-based method. Further, it explains that in 2023, its absolute carbon emissions decreased by 3%, which it states was driven by an 11% reduction in emissions from electricity (Scope 2) and a 5% decrease in indirect and supply chain emissions (Scope 3). Despite a 7% increase in emissions from its direct operation (Scope 1), primarily from the use of transportation fuels, Amazon notes that its carbon intensity decreased for the fifth consecutive year, down 13% from 2022 to 2023 (p.11). Additionally, it discusses carbon-free energy and highlights that it reached its goal of matching 100% of the electricity consumed by its global operations with renewable energy in 2023, seven years ahead of its 2030 target (pp.12,24). It also discusses data centers powered with renewable energy and states that its energy supply from utilities, combined with renewable energy it procures globally, means that 100% of the electricity consumed by 22 AWS data center regions is matched with renewable energy sources, an increase from 19 regions in 2022 (p.26). Amazon also [states](#) that it reached its goal to match 100% of the electricity it uses across its operations with renewable energy in 2023, seven years early, as well as that it has 24,000 electric delivery vehicles on the road globally.

Amazon also [emphasizes](#) its co-founding of the Climate Pledge, a \$2 billion venture investment program, and its associated commitment to reach net zero emissions by 2040. It states that it is investing in companies that are building breakthrough technologies and other solutions that could, longer-term, lower the overall cost of decarbonization, even in hard-to-abate sectors (p.13). Additionally, the firm discusses launching its “[Amazon Sustainability Exchange](#),” a free, publicly available website that democratizes our guidelines, playbooks, science models, and other resources to help other companies make meaningful progress toward net zero carbon emissions (p.21).

The Company's [Supply Chain Standards](#) encourage suppliers to continuously improve energy efficiency and reduce energy consumption and GHG emissions. Further, it states that suppliers should track, document, and, upon request, report GHG emissions to the Company. Moreover, the standards encourage suppliers to establish a GHG reduction goal and publicly report against their progress (p.9).

Additionally, the Company provides websites on its [climate](#) and [sustainability](#) efforts, [climate solutions](#), policy [action](#) for climate progress, and its policy [position](#) on climate change.

Additionally, Amazon [discusses](#) six ways AWS innovates to increase efficiency and reduce the carbon footprint of AI workloads on its website, including: (i) designing data center infrastructure to increase efficiency; (ii) improving how it cools its facilities; (iii) transitioning to carbon-free energy sources; (iv) developing purpose-built silicon for AI workloads; (v) using more sustainable construction practices; and (vi) enabling efficient data storage and replication strategies.

Regarding purpose-built silicon for AI workloads, the firm [states](#) that it has developed purpose-built silicon like AWS Trainium chip and AWS Inferentia chips to achieve significantly higher throughput than comparable accelerated compute instances, enabling AWS to efficiently execute AI models at scale, reducing the carbon footprint for similar workloads, and enhancing performance per watt of power consumption. Moreover, in December 2024, Amazon [announced](#) its new data center components to support AI innovation and further improve energy efficiency, explaining that its new set of flexible data center components would support the next generation of generative AI innovation and provide 12% more compute power while improving availability and efficiency. It discusses upgrades for energy efficiency and sustainability, including a more efficient cooling system to reduce mechanical energy consumption, the reduction of embodied carbon in the concrete of data center shells, and the capability for backup generators to run on renewable diesel.

The firm further [discusses](#) increasing the use of free-air cooling systems that cool servers with outside air at its data centers, which avoids the need for energy-intensive compressor-based cooling systems throughout much of the year (p.19). It also addresses its water and energy efficiency practices and discusses its commitment to being water positive by 2030, including in relation to data centers (pp.40-43).

Amazon also details its use of lower-carbon materials, [stating](#) that it is working to reduce embodied carbon in its infrastructure by increasing the use of lower-carbon materials in the firm's buildings, such as lower-carbon steel, lower-carbon concrete, and mass timber, a lower-carbon structural wood product that can replace concrete and steel in building construction. It adds that in 2023, AWS built 36 data centers with lower-carbon concrete, up from 16 in 2022, and AWS also tested a low-carbon, performance-based hydraulic cement which achieved a 64% reduction in embodied carbon compared to the industry average. It also states that in January 2024, AWS updated its design standards to require the use of concrete with 35% less embodied carbon than the industry average in new data centers around the world. Amazon further explains that by incorporating higher-strength steel into its data center structural designs, AWS has reduced steel content by 70 tons for each two-story data center and 137 tons for each three-story data center, decreasing emissions by 63 and 124 metric tons of CO₂e, respectively. It notes that in 2023, AWS built 31 data centers with lower-carbon steel, up from 10 in 2022 (p.19).

Regarding oversight, the [nominating and corporate governance committee](#) oversees and monitors the firm's environmental and sustainability policies and initiatives, including its progress on The Climate Pledge, and risks related to the firm's operations, supply chain, and customer engagement.

To further compare, **Meta Platforms, Inc.** (NASDAQ: META) discusses its climate goals and commitments in its latest [Sustainability Report](#), including to: (i) reduce Scope 1 and 2 emissions by 42% in 2031 from a 2021 baseline; (ii) not exceed its 2021 baseline Scope 3 emissions by the end of 2031; (iii) continue to match 100% of its electricity use with renewable energy to support its operations; and (iv) positively impact the communities and environment where we operate. These objectives are in addition to Meta's commitment to achieving net zero emissions across its value chain by 2030 (p.17).

Regarding its data centers, the firm [states](#) that it designs and operates some of the most sustainable data centers in the industry, but they still account for the highest percentage of the firm's energy and water use. It explains that the firm approaches data center sustainability from the ground up, from design and construction to operations, by prioritizing energy efficiency, renewable energy, water stewardship, and responsible management of the end of life of its equipment. It discloses that, in 2023, 91% of data center construction waste was recycled (p.39). Meta also emphasizes that in 2023, eight buildings at its data centers earned the LEED Gold Certification, and that to date, it has 42 LEED gold data center buildings, totaling nearly 28 million square feet (p.40). It also maintains a [webpage](#) dedicated to its data centers, stating that its data centers' electricity use is matched with 100% renewable energy and Meta focuses on water conservation and restoration. It also provides a data center impact map, and affirms that it is committed to making a positive impact in the places where it operates.

Additionally, Meta [addresses](#) designing data centers with AI in mind, and states that building and delivering world-class AI capabilities is critical to the firm's near-term product and business success and long-term vision for the metaverse. To enable transformative AI experiences such as those based on generative AI, Meta explains that it has invested in creating scalable infrastructure to support its needs today, and for years to come. For example, it has been building and deploying world-class infrastructure since it broke ground with its first data center in 2010, and that its next-generation data center will support the firm's current products while enabling future generations of AI hardware. It adds that its vision blends high-performance and power-efficient computing with a mix of custom hardware solutions specific to the unique needs of the firm's environment. Built with efficiency, flexibility, and sustainability in mind, it states that this new data center is an AI-optimized design, featuring denser racks to support large-scale AI clusters, along with future liquid-cooled AI hardware and network infrastructure. It notes that the design requires a smaller footprint to provide similar compute capacity to previous data center designs, improving delivery time and cost efficiency. In addition, its newest AI-optimized data centers currently under construction will feature dry-cooling technology. The firm explains that dry cooling uses air as the cooling medium, minimizing water usage, making it the most efficient cooling technology for these geographic locations (p.42).

It also [discusses](#) data center circularity, and discloses that it leverages the principles of circularity to limit the use of new materials in product development and construction, help us minimize and prevent waste and avoid upstream emissions. To enable greater circularity within its supply chain, Meta focuses on eliminating the use of hazardous substances and prioritizing the responsible reuse and recycling of electronic equipment. It also prioritizes the use of post-consumer recycled plastics and recycled metal in its hardware to enable a more circular supply chain, and thus, reduce the embedded carbon in its hardware. It emphasizes that avoiding emissions in its upstream supply chain means using less, where possible, and to achieve this, it is investing in systems that will extend the life of its hardware and reuse as many components as possible in its data center hardware (p.43).

Discussing its [approach to renewable energy](#), Meta states that it has maintained net zero emissions in its global operations since 2020, and to achieve this it has reduced its emissions 94% from a 2017 baseline, primarily by matching 100% of the electricity use of its data centers and offices with renewable energy and addressing the remaining emissions with projects that remove carbon from the atmosphere. It also [addresses](#) accelerating the transition to renewable energy, stating that it operates one of the world's largest corporate renewable energy portfolios, with over 11,700 megawatts ("MW") contracted globally and over 6,700 MW online in the U.S., making it the largest corporate buyer in the U.S. in 2023. It then affirms that it continues matching its electricity use with renewable energy by adding new wind and solar projects to local grids, including those where its data centers are located.

Finally, the firm discusses its [Data Center Community Action Grants](#), which are one of the ways the firm gives back to communities where it has an operational data center. Since 2011, Meta has [provided](#) more than \$40 million in direct funding to schools and nonprofits in communities where it has a data center (p.44). It also discusses supporting climate resilience and being water positive in 2030 (pp.46-48).

Regarding board oversight, the [audit and risk oversight committee](#) assists the board in overseeing risks related to ESG. Specifically, the committee reviews with management, at least annually, the major ESG risk exposures and the steps management has taken to monitor or mitigate such exposures, in coordination with the other committees of the board as appropriate. In addition, the audit and risk oversight committee periodically reviews with management the status of the firm's ESG program and strategy.

Summary

GRI/SASB-Indicated Sustainability Disclosure	SASB
Peer Comparison	Overall, we find the Company and its peers have provided relatively commensurate disclosure concerning their efforts to reduce the carbon footprint of AI, as well as how they are managing the environmental impact of their data centers.
Analyst Note	The Company provides robust climate disclosures and maintains explicit board-level oversight of climate. It also affirms that it will continue to evaluate options to manage Scope 2 emissions in the future.

RECOMMENDATION

Glass Lewis believes that investors should take a look at proposals such as this on a case-by-case basis in order to determine if the requested report will clearly serve their interests. In this case, the proponent requests that the Company provide a report explaining how it will meet the climate change-related commitments it has made on greenhouse gas emissions, given the massively growing energy demand from artificial intelligence and data centers that the Company is planning to build. We understand how the use of this rapidly developing and highly emitting technology could present challenges to the execution of the Company's climate plans, particularly given that many of them were developed prior to the full integration of AI in many aspects of its operations.

For example, the proponent appears to take issue with the Company's data centers hosting AI functions, noting their energy consumption is “outpacing” the Company's ability to bring on clean energy projects. However, in situations such as this, we believe that companies should be afforded some latitude in how they deliver on their broader climate plans. There will likely be more advancements in AI and in energy technology in the coming years. We, therefore, believe that the Company will need to remain flexible with respect to some aspects of its plans in order to stay responsive to changing market conditions and technological developments.

We understand that, alongside the Company being responsive to these developments, shareholders also require sufficient information to allow them to assess how the Company is managing and mitigating climate-related risks, including those related to its use of AI. However, we believe that the Company has demonstrated responsiveness to these issues and that it has provided robust disclosures concerning how it currently intends to execute on its climate commitments. As this issue continues to develop and as the Company further integrates new technologies into its operations, we expect the Company to further develop both its climate plans and its disclosures of those plans. At this time, however, we believe that the Company's existing disclosures adequately address the issues raised by the proponent and provide a sufficient basis for shareholders to understand how the Company is managing these issues and how it is integrating its use of AI into its climate commitments. As such, we are unconvinced that this additional, incremental disclosure requested by this proposal would meaningfully benefit shareholders at this time.

We recommend that shareholders vote **AGAINST** this proposal.

8.00: SHAREHOLDER PROPOSAL REGARDING RECAPITALIZATION

FOR

PROPOSAL REQUEST:	That all shares have one vote per share	SHAREHOLDER PROPONENT:	The NorthStar Asset Management, Inc. Funded Pension Plan, as lead filer, and Mercy Investment Services, Inc., as co-filer
BINDING/ADVISORY:	Precatory	REQUIRED TO APPROVE:	Majority of votes cast
PRIOR YEAR VOTE RESULT (FOR):	31.3%		
RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:			
FOR -	Allowing one vote per share generally operates as a safeguard for common shareholders		

GLASS LEWIS REASONING

- Allowing one vote per share generally operates as a safeguard for common shareholders by ensuring that those who hold a significant minority of shares are able to weigh in on issues set forth by the board, especially in regard to the director election process; and
- Public shareholders would have the opportunity to be much better represented if the outcome of matters up for a vote was not largely determined by the controlling shareholder.

PROPOSAL SUMMARY

Text of Resolution: *RESOLVED: Shareholders request that our Board take all practicable steps in its control to initiate and adopt a recapitalization plan for all outstanding stock to have one vote per share. We recommend that this be done through a phase-out process in which the board would, within seven years or other timeframe justified by the board, establish fair and appropriate mechanisms through which disproportionate rights of Class B shareholders could be eliminated. This is not intended to unnecessarily limit our Board's judgment in crafting the requested change in accordance with applicable laws and existing contracts.*

Proponent's Perspective

- In the Company's multi-class voting structure, Class B stock has ten times the voting rights of Class A, and as a result, the co-founders currently control over 51% of the Company's total voting power while owning less than 13% of stock and will continue to retain voting control even though they have stepped down from leading the Company;
- Due to the current voting structure, the Company takes public shareholder money but refuses shareholders an equal voice in the Company's management;
- It was primarily the weight of the insiders' ten votes per share that permitted the creation of a non-voting class of stock (class C) even though most shareholders voted to oppose the move;
- The Company's compensation philosophy states that Googlers should share the success of the Company, but without voting rights, these employee-shareholders cannot exercise oversight of executives and find themselves subject to repeated layoffs, outsourcing, and interference with their freedom of association;
- The Company hires tens of thousands of contracted workers who have even less say over their indirect employer's actions, including this year's elimination of a 2019 policy that required U.S. contractors and suppliers to pay \$15 an hour and provide health benefits to employees, and the lack of worker voice can only depress employee performance and innovation; and
- A variety of corporate governance experts illustrate a growing concern about multi-class share structures.

Board's Perspective

- The Company's success is owed in large part to the leadership and vision of its co-founders, who continue to oversee the Company's strategy as members of the board, and that is carried on today by the Company's CEO;
- The Company's capital structure insulates the Company from short-term pressures and gives it greater ability to focus on long-term interests;
- A multi-class structure allows the Company's management to take calculated risks in furtherance of maximizing long-term returns, and the strategic decisions made over the years by the Company's management has enabled it to become one of the most successful companies in the world;
- The Company's fully independent governance committee regularly reviews and oversees risks and exposures related to corporate governance and overall board effectiveness, including any risks posed by the Company's capital structure;
- The Company has established a robust governance structure that ensures effective independent oversight and enables the board to hold management accountable for promoting the best interests of the Company and its shareholders;
- The board leadership structure is regularly evaluated and has been modified at times to uphold strong independent oversight in the Company's evolving business and operating environment, including the establishment of the role of independent chair in 2018; and
- The Company maintains and periodically enhances its governance practices and shareholder rights.

THE PROPONENT

NorthStar Asset Management

NorthStar [states](#) that it began as a public equity and fixed income manager, but that it has broadened its active portfolio management process to include shareholder activism, community investing, community engagement, and charitable giving as "essential ingredients." As of December 31, 2023, NorthStar [maintained](#) \$699.2 million in discretionary client assets. As part of its shareholder engagement services, it [states](#):

After extensive research of the issue and in-depth analysis of the companies in our clients' portfolios, we file shareholder proposals and engage with companies on groundbreaking connections between social, ecological and political issues, and company behavior.

Since our first corporate engagement, NorthStar has filed over 360 shareholder proposals on a variety of human rights, environment, economic inequality, race and gender equality, and corporate governance matters.

Based on disclosure provided by companies concerning the identity of proponents, during the first half of 2024, NorthStar submitted seven shareholder proposals to U.S. companies that received an average of 18.0% support (excluding abstentions and broker non-votes), with none of these proposals receiving majority support.

Mercy Investment Services

[Mercy Investment Services](#) "supports the life and mission of the Sisters of Mercy through socially responsible investing. It states that, "[r]ooted in the Gospel and guided by the mission and Critical Concerns of the Sisters of Mercy," it engages in collaborative efforts to: (i) raise its voice to effect systemic change through corporate policies and activities; (ii) invest in community organizations and impact opportunities benefiting people, communities and creation; and (iii) participate in other investment opportunities aligned with Mercy values. Mercy [states](#) that it employs socially responsible investing through a four-pronged approach: (i) shareholder advocacy; (ii) impact investing; (iii) proxy voting; (iv) and portfolio screens.

With regard to [shareholder advocacy](#), it states that it actively uses its voice to "encourage companies [...] to make changes that benefit people, communities and our common home." It states that it is engaging 152 companies through 213 engagements. Among its current [plan goals and objectives](#) related to shareholder advocacy, the group lists as important issues: (i) human trafficking; (ii) fair treatment of workers; (iii) immigration; (iv) equitable access to health for all; (v) healthy food practices; (vi) health and environmental impacts of chemicals, products, and technologies; (vii) water access and sustainability; (viii) climate change and the environmental impact of company operations in various sectors; (ix) sustainable food production; (x) extractive industry practices and technologies; (xi) responsible governance practices; (xii) political contributions and lobbying policies, practices, and transparency; and (xiii) sustainability.

Based on the disclosure provided by companies concerning the identity of proponents, during the first half of 2024, Mercy Investment Services submitted six shareholder proposals that received an average of 18.3% support (excluding abstentions and broker non-votes), with none of its proposals receiving majority support.

GLASS LEWIS ANALYSIS

Glass Lewis believes multi-class voting structures are typically not in the best interests of common shareholders. The multi-class structure here is no exception. In this case, the voting power of one class is significantly different from that of the common shareholders, giving a small group of shareholders a significant amount of control over the affairs of the Company. We believe all shareholders should have a say in decisions that will affect them.

We believe that allowing one vote per share generally operates as a safeguard for common shareholders by ensuring that those who hold a significant minority of shares are able to weigh in on issues set forth by the board, especially in regard to the director election process. Elimination of the multi-class structure creates an even playing field for all shareholders, as well as a board that is more responsive to all shareholders.

Furthermore, we believe that the economic stake of each shareholder should match their voting power and that no small group of shareholders, family or otherwise, should have voting rights different from those of other shareholders. Shareholders do and, in our view, should take a limited role in the operation of the Company. Management, at the direction of the board, is there to operate the business. However, on matters of governance and shareholder rights, we believe shareholders should have the power to speak and the opportunity to effect change. That power should not be concentrated in the hands of a few for reasons other than an economic stake.

We recommend that shareholders vote **FOR** this proposal.

Do not redistribute

9.00: SHAREHOLDER PROPOSAL REGARDING THIRD-PARTY REPORT ON DUE DILIGENCE IN CONFLICT-AFFECTED AND HIGH-RISK AREAS

AGAINST

PROPOSAL REQUEST:	That the Company commission an independent third-party report on its due diligence process for customer use of produce and services in CAHRA	SHAREHOLDER PROPONENT:	Zevin Asset Management, on behalf of Denise Bergman and Pamela Rogers
BINDING/ADVISORY:	Precatory	REQUIRED TO APPROVE:	Majority of votes cast
PRIOR YEAR VOTE RESULT (FOR):	N/A		
RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:			
AGAINST - Not in the best interests of shareholders			

SASB MATERIALITY

PRIMARY SASB INDUSTRY: Internet Media & Services

FINANCIALLY MATERIAL TOPICS:

- Environmental Footprint of Hardware Infrastructure
- Data Security
- Intellectual Property Protection & Competitive Behavior
- Data Privacy, Advertising Standards & Freedom of Expression
- Employee Recruitment, Inclusion & Performance

GLASS LEWIS REASONING

- We believe that the Company has made reasonable efforts to address the concerns raised by the proponent; and
- Given the Company's existing disclosures, we do not believe that production of the requested report would provide shareholders with especially valuable information at this time.

PROPOSAL SUMMARY

Text of Resolution: *RESOLVED: Shareholders request that the Board of Directors commission an independent third-party report, at reasonable expense and excluding proprietary information, on the due diligence process Alphabet Inc. (Alphabet) uses to determine whether customers' use of products and services for surveillance, censorship, and/or military purposes contributes to human rights harms in conflict-affected and high-risk areas (CAHRA).* [1](#)

Supporting Statement: Shareholders seek information, at board and management discretion, through a report that:

- Discusses how risks associated with customer use of products and services for surveillance, censorship, and/or military purposes in CAHRA are assessed, mitigated, and reported upon; and
- Assesses if additional policies, practices, and governance measures are needed to mitigate risks.

Proponent's Perspective

- Conflict-affected and high-risk areas ("CAHRA") are increasing globally, with 30% more people killed in 2024 than 2023 and the number of conflicts doubling in the last five years;
- A survey of 1,200 CEOs indicated 97% of respondents altered investment plans due to geopolitical volatility, while another study found that 84% of the world's 26 largest investors identified "geopolitical confrontation" as a top three systemic risk;
- Research indicates that the Company is providing products and services to customers in CAHRA, which may be contributing to violations of international humanitarian law and human rights;
- The Company supports cloud data centers in Saudi Arabia for the state's access to user data and well-documented surveillance, detention, and extrajudicial killings of dissidents;
- The Company provides Customs and Border Patrol with a "virtual wall" along the U.S.-Mexico border and integrating Vertex AI into an expansive surveillance system risks, exposing the Company to Customs and Border Patrol's family separation policy and surveillance of immigrant communities;
- The Company supports the Chinese firm Semptian, which is

Board's Perspective

- As disclosed on the Company's Human Rights website, under the umbrella of its Human Rights Program, the Company's senior management oversees the implementation of its civil rights and human rights work;
- The audit committee provides oversight of key risks, including those associated with human rights, data privacy and security, legal, regulatory, compliance, and reputational risks, as well as the steps the Company takes to prevent, detect, monitor, and actively manage such exposures;
- The Company evaluates how it acts on its human rights commitments and mitigates related risks, as well as making enhancements to its governance as appropriate;
- The Company's Human Rights Program advises product teams on potential civil and human rights impacts, conducts human rights due diligence, and engages external experts and stakeholders, and the program is a central function responsible for ensuring that the Company is meeting its commitment to the United Nations Guiding Principles on Business and Human Rights, Global Network Initiative Principles, and other civil and

- enhancing the surveillance and censorship capabilities of Chinese security agencies;
- The Company provides cloud computing technology, through Project Nimbus, to the Israeli government, including the Israel Defense Forces, raising ethical, legal, and reputational risks concerns among Company executives and employees;
- The Company has complied with Russian government requests to remove videos on YouTube related to censorship circumvention tools and avoiding military conscription and blocking digital rights organization channels;
- The Company's Human Rights Policy states that transparency is core to the Company's commitment to respect human rights and mentions human rights impact assessments, but there is no information on how the increasing use of Company products and services for surveillance, military, and/or censorship purposes in CAHRA exposes the Company to human rights risks; and
- The requested report will provide shareholders with meaningful insights into the Company's governance of these material risks.

The Anti-Defamation League and JLens have filed an [exempt solicitation](#) urging shareholders to oppose this resolution for the following reasons: (i) this is a veiled boycott, divestment and sanction campaign; (ii) there is misinformation and an omission of facts regarding Project Nimbus; (iii) there is a disproportionate focus on Israel; (iv) it relies on biased and unreliable sources; and (v) adoption of this proposal could harm the Company and risk shareholder value.

The proponent has filed an [exempt solicitation](#) urging support for this resolution and addressing some of the issues raised by the aforementioned ADL/JLens exempt solicitation.

- human rights instruments across the Company and its products;
- The Company's civil and human rights work is integrated into processes and procedures across the Company and informs its long-term strategies and day-to-day decision-making;
- The Company's technologies further its mission to organize the world's information and make it universally accessible and useful;
- The Company's robust policies and processes, principles, and terms of service govern its work with its customers and partners, including its work with government customers;
- In 2010, the Company launched the Google Transparency Report, which sheds light on how the policies and actions of governments and corporations affect its users' privacy, security, and access to information;
- The Company voluntarily discloses the number of requests it receives from courts and government agencies and provides this information on a country/regional basis;
- The Company provides transparency about removals via Lumen, a project of Harvard University, which works with a variety of international research partners to offer information about the global landscape of Internet takedown requests;
- Through the Company's artificial intelligence ("AI") Principles, it responsibly pursues AI throughout the development and deployment lifecycle, implementing appropriate human oversight, due diligence, and feedback mechanisms to align with user goals, social responsibility, and widely accepted principles of international law and human rights;
- The Company's approach to AI is grounded in the principle that it develops and deploys models and applications where the likely overall benefits substantially outweigh the foreseeable risks; and
- In February 2025, the Company published its 6th annual Responsible AI Progress Report detailing how it governs, maps, measures, and manages AI risk throughout the development lifecycle, and the report highlights the progress the Company has made over the past year building out governance structures for its AI product launches.

THE PROPONENT

Zevin Asset Management

[Zevin Asset Management](#) is an employee-owned Certified B Corporation that [describes](#) itself as an “investment manager with a global focus that integrates sustainability into professional active investment management for [its] clients—individuals, families, religious institutions, and non-profits.” As of March 2024, Zevin had approximately \$787.8 million in [AUM](#).

With regard to [shareholder engagement](#), it states that it “channel[s its] clients’ investor voices to catalyze change” and that it has “a long history of identifying and addressing risks and opportunities stemming from social and environmental issues.” It uses executive meetings, letter-writing, campaign pressure, and shareholder proposals to hold companies accountable and press for change that benefits employees, stakeholders, communities, ecosystems, and investors.” It [states](#) that it initiates and engages in dialogue with corporate executives and when that dialogue doesn’t lead to meaningful outcomes, it can submit a shareholder proposal to the company. It notes that it is not a major shareholder at the companies in which it files but that it builds coalitions and expertise to help it bring up emerging topics to corporate boards and management, noting that “[i]t’s not the size of [its] holdings but the quality of [its] ideas that enable [it] to create positive change.”

GLASS LEWIS ANALYSIS

Glass Lewis recommends that shareholders take a close look at proposals such as this to determine whether the actions requested of the Company will clearly lead to the enhancement or protection of shareholder value. Glass Lewis believes that directors who are conscientiously exercising their fiduciary duties will typically have more and better information about the Company and its situation than shareholders. Those directors are also charged with making business decisions and overseeing management. Our default view, therefore, is that the board and management, absent a suspicion of illegal or unethical conduct, will make decisions that are in the best interests of shareholders.

We believe that it is prudent for firms to actively evaluate risks to shareholder value stemming from global activities and human rights practices along entire supply chains. This evaluation is particularly important for those companies with operations in sensitive regions prone to allegations of human rights abuses. As has been seen with other companies, allegations of human rights abuses can inflict, at a minimum, reputational damage on targeted companies and may dramatically affect shareholder value.

HUMAN RIGHTS CONVENTIONS

Universal Declaration of Human Rights

The notion of universally recognized human rights, applicable in both national and international jurisdictions, continues to evolve. Some important agreements that have been broadly ratified by the international community include the [Universal Declaration of Human Rights](#) ("UDHR"), the International Covenant on Civil and Political Rights, the Convention on the Elimination of All Forms of Racial Discrimination, the United Nations Convention Against Torture, the Convention of the Rights of the Child, and the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. Additionally, the [Geneva Conventions](#), which have been ratified by [196 countries](#), aim to protect the human rights of individuals involved in armed conflict. Further, in August 2003, the UN Sub-Commission on the Promotion and Protection of Human Rights published the "[norms on the responsibilities of transnational corporations and other business enterprises with regard to human rights](#)." These norms propose to hold companies, as organs of society, responsible for promoting and securing human rights; however, they are currently neither binding nor monitored. In addition, in 2011, the UN Human Rights Council approved the [United Nations Guiding Principles on Business and Human Rights](#) ("Ruggie Principles") which state that "business enterprises should carry out human rights due diligence" including "assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed" (p.17).

HUMAN RIGHTS-RELATED REGULATIONS

Increasingly, multilateral organizations, EU states, and accounting bodies are passing legislation on mandatory human rights due diligence and sustainable investment reporting while also calling on companies to report on material human rights risk. For example, in December 2022, the European Council [adopted](#) its general approach to the corporate sustainability due diligence directive ("CSDDD"), which sets out obligations for large EU companies and non-EU companies active in the EU regarding actual and potential adverse impacts on human rights and the environment with respect to their own operations, those of their subsidiaries, and to their chain of activities, including upstream and some downstream business partners. The directive also clarifies the conditions of penalties and civil liability for due diligence violations, ensuring that victims of human rights or environmental impacts will receive full compensation for damages caused by a company's failure to comply.

At the end of 2023, the European Council and Parliament [reached](#) a provisional deal to progress the CSDDD clarifying the liabilities for non-compliant companies, better defining the different penalties, and completing the list of rights and prohibitions that companies should respect. The provisional agreement fixed the scope of the directive on large companies that have more than 500 employees and a net worldwide turnover of €150 million. For non-EU companies, it will apply if they have over €150 million net turnover generated in the EU, three years from the directive's entry into force, and the Commission will have to publish a list of non-EU companies that fall under the scope of the directive. This most recent agreement temporarily excludes financial services from the scope of the directive, but there will be a review clause for possible future inclusion of the financial downstream sector based on a sufficient impact assessment.

Regarding civil liability, the December 2023 agreement reinforces the access to justice of persons affected and establishes a five-year period to bring claims by those concerned about a company's adverse impacts (including trade unions or civil society organizations). Further, the agreement limits the disclosure of evidence, injunctive measures, and cost of the proceedings for claimants. In terms of climate change, the agreement strengthens provisions related to the obligation of means for large companies to adopt and put into effect, through best efforts, a transition plan for climate change mitigation. As a last resort, companies that identify adverse impacts on the environment or human rights by some of their business partners will have to end those business relationships when these impacts cannot be prevented or ended. The provisional agreement also includes several injunction measures and takes into consideration the turnover of the company to impose pecuniary penalties (i.e. 5% of the company's net turnover), for companies that fail to pay fines imposed on them in the event of violating the directive. Moreover, the agreement includes the due diligence obligation for companies to carry out meaningful engagement including dialogue and consultation with affected stakeholders.

Regarding public procurement, the agreement establishes that CSDDD compliance could be qualified as a criterion for the award of public contracts and concessions. In addressing definitions, the agreement clarifies obligations for companies described in a list of specific rights and prohibitions constituting an adverse human rights impact when they are abused or violated. The list references international instruments ratified by all member states that set sufficiently clear standards that can be observed by companies. The provisional agreement adds new elements to the obligations and instruments regarding human rights, particularly for vulnerable groups. It also introduces references to the International covenant on civil and political rights; the International covenant on economic, social, and cultural rights; and the Convention on the rights of the child. Further, the agreement clarifies environmental impacts covered by the directive as any measurable environmental degradation, such as harmful soil change, water or air pollution, harmful emissions or excessive water consumption, or other impacts on natural resources.

Despite the December 2023 provisional agreement, in February 2024 member states postponed endorsing CSDDD due to insufficient support. Some German government officials lobbied against the adoption of CSDDD as a danger to German

business, leading Germany to indicate it would abstain from the decision on CSDDD. Similarly, the Italian government indicated uncertainty and a plan to abstain, as well. The CSDDD will require support from governments representing 65% of the EU population before it can be passed by the European Parliament and then turned into national law by member states (Philip Blenkinsop. "[EU Stalls Supply Chain Law After German, Italian Objections](#)." *Reuters*. February 9, 2024).

In addition to CSDDD, in January 2023, the EU's [corporate sustainability reporting directive](#) ("CSRD") came into force, [requiring](#) all large companies and/or listed companies to disclose information on the risks and opportunities arising from social and environmental issues and on the impacts of their activities on people and the environment. Under the CSRD, roughly 50,000 companies will be required to report according to the [EFRAG's](#) European Sustainability Reporting Standards ("ESRS"). In July 2023, the European Commission [adopted](#) the first cross-cutting standards and standards for all topics to facilitate the reporting of risks and opportunities arising from social and environmental issues. The new standards were initially expected to come into effect in 2024, but the European Council and Parliament voted in February 2024 to delay adoption until June 2026.

COMPANY OPERATIONS IN COUNTRIES OF HUMAN RIGHTS CONCERN

The proponent cites concerns regarding the Company's operations in locations reported by the U.S. State Department for having significant human rights violations. The State Department [provides](#) annual Country Reports on Human Rights Practices, which cover internationally recognized individual, civil, political, and worker rights, as set forth in the Universal Declaration of Human Rights and other international agreements.

As a global company, the Company has operations in many regions, some of which can result in the Company's exposure to human rights-related and reputational risks. Below is a non-exhaustive discussion of several of the regions in which the Company maintains operations and where, to a more significant extent, it may be exposed to said risks. Below are details on some of the more controversial regions:

Israel

In October 2023, a Hamas attack on Israel resulted in a significant escalation of violence. Since that time, Israel and Hamas have engaged in a highly publicized and increasingly divisive war.

Following the October 2023 attack, the Company's business in the region raised concerns among some employees and led to protests, which ultimately resulted in more than 50 workers who participated in the protests being dismissed. The specific project that raised concerns was a \$1.2 billion contract (Project Nimbus) that the Company and Amazon had with the Israeli government and military to provide cloud computing and AI infrastructure. Protests included Company employees marching with signs reading "Google Stop Fueling Genocide" and "Google Drop Project Nimbus." Some Company employees affiliated with the protest group No Tech for Apartheid staged sit-ins over the project at the Company's locations in New York and Sunnyvale. Protests escalated when staff entered offices and refused to leave, prompting the Company to call law enforcement. At the time, the Company stated that Project Nimbus was "not directed at highly sensitive, classified, or military workloads relevant to weapons or intelligence services," adding that the protesters were preventing workers from accessing facilities and impeding their work (Hannah Mullane, Jonathan Josephs. "[Google Sacks Staff Protesting over Israeli Contract](#)." *BBC News*. April 18, 2024, Gerrit De Vynck. "[Google Rushed to Sell AI Tools to Israel's Military After Hamas Attack](#)." *The Washington Post*. January 21, 2025).

In the summer of 2024, more than 100 employees emailed Company managers and members of its human rights team requesting the Company to review its work with the Israeli military. However, an employee stated that the requests were ignored (Gerrit De Vynck. "[Google Rushed to Sell AI Tools to Israel's Military After Hamas Attack](#)." *The Washington Post*. January 21, 2025).

The New York Times stated that four months prior to announcing its Project Nimbus contract, Company officials worried that the project would harm the Company's reputation. Specifically, regarding the question of the risks of the agreement, the Company's lawyers, policy team employees, and outside consultants responded that, given the contract's inclusion of "sensitive customers" such as Israel's Ministry of Defense and the Israeli Security Agency, "Google Cloud services could be used for, or linked to the facilitation of human rights violations, including Israeli activity in the West Bank." The documents also showed that despite the Company's public defense of Project Nimbus, the Company once had similar concerns to those of employees who claimed that the project would entangle the Company in a conflict between Israelis and Palestinians (Nico Grant. "[Google Worried Israeli Contract Could Enable Human Rights Violations](#)." *The New York Times*. December 3, 2024).

Just three months before signing the Nimbus contract, Company consultants suggested prohibiting the sale of its AI and machine learning tools to the Israeli military and other "sensitive customers." They also cautioned the Company that it would not fully know how Israel was using its technology. When the Company negotiated the terms of Nimbus, the Israeli government did not include the Company's AI principles, as recommended by consultants, although it agreed that the Company could suspend customers if they violated the Company's terms of service and acceptable use policy. Separately, the Company worried that it would face "onerous" risk from international conflicts with foreign authorities

seeking Israeli data, which could lead it to "breach international legal orders" under the terms of its deal. Nevertheless, the Company ultimately decided to move forward with the contract which provided it with \$525 million from the Israeli Defense Ministry from 2021 to 2028, as well as \$208 from Israel's central government, with an anticipated total revenue of \$1.26 billion over seven years when including business from Israeli local governments and healthcare providers in Israel (Nico Grant. "[Google Worried Israeli Contract Could Enable Human Rights Violations](#)." *The New York Times*. December 3, 2024).

In early 2025, *The Washington Post* revealed that, according to internal Company documents it had obtained, Company employees had provided Israel's military with access to its latest AI technology following the early weeks of the Israel-Gaza war. More specifically, employees were concerned that if the Company did not respond with more access to expand the Company's Vertex service, which applies AI algorithms to customers' data, the Israeli military would turn to Amazon. Additional documents showed ongoing requests from Company employees for more AI access for the Israeli military throughout 2024. For example, in November of that year, an employee requested additional access to Gemini AI technology for the Israel Defense Forces to develop its own AI assistant to help process documents and audio. While the Company's internal documents did not discuss how the Israeli military was using the Company's AI capabilities, the director general of the Israeli National Cyber Directorate suggested at a conference in early 2024 that Project Nimbus directly aided combat applications (Gerri De Vynck. "[Google Rushed to Sell AI Tools to Israel's Military After Hamas Attack](#)." *The Washington Post*. January 21, 2025).

The Company also maintains other business in the region. For example, the Company [announced](#) in March 2025 that it would pay \$32 billion to acquire the Israeli cloud-computing security firm [Wiz](#), pending regulatory approval. It [stated](#) that the acquisition represents an investment by Google Cloud to accelerate two large and growing trends in the AI era: (i) improved cloud security; and (ii) the ability to use multiple clouds (multi-cloud). The Company further stated that the combination of Google Cloud and Wiz would:

- Vastly improve how security is designed, operated and automated — providing an end-to-end security platform for customers, of all types and sizes, in the AI era;
- Scale cybersecurity teams by providing them an automated security platform;
- Lower customers' cost of implementing and managing security controls;
- Protect against new threats emerging due to the advancement of AI, prevent breaches, and help organizations respond to breaches much more efficiently; and
- Boost the adoption of multi-cloud security and, as a result, customers' ability to use multiple clouds, further spurring innovation in and the adoption of cloud computing .

In addition to Google Cloud, Wiz also works with cloud providers such as Amazon Web Services and Microsoft Azure. According to the Company, the deal is expected to close in 2026 and Wiz's products will continue to be available across other major cloud services (Deborah Mary Sophia, Krystal Hu. "[Alphabet to Buy Wiz for \\$32 Billion in its Biggest Deal to Boost Cloud Security](#)." *Reuters*. March 18, 2025).

The Company had also previously [acquired](#) the Israeli security startup Siemplify in 2022 for \$500 million (Krystal Hu, Eva Mathews. "[Google Buys Israeli Security Startup Siemplify for \\$500 mln - Source](#)." *Reuters*. January 4, 2022).

The Middle East

The Company has operations in regions in the Middle East, including [Saudi Arabia](#) and [Qatar](#). The Company faced criticism in 2022 following its decision to establish a data center in Saudi Arabia, in partnership with the state-owned Saudi Aramco, to support its cloud computing platform for business customers. Pointing to past human rights violations in the country, 39 human rights and digital rights groups and individuals [urged](#) the Company to stop work on the data center until a full due diligence review has been completed. The Company responded that it had already commissioned an independent human rights assessment regarding the Saudi Arabia cloud center, which addressed the concerns that had been raised. However, the Company did not disclose the assessment or provide any details about mitigation, such as how personal data would be safeguarded, and whether the Company would stand up against government requests for user data that don't comply with international human rights standards (Karen Gullo. "[Google's Perilous Plan for a Cloud Center in Saudi Arabia Is an Irresponsible Threat to Human Rights](#)." The Electronic Frontier Foundation. September 27, 2022).

China

The OpenPower Foundation, a nonprofit led by the Company and IBM executives, established a collaboration between IBM, Chinese firm Semptian, and the U.S. chip manufacturer Xilinx to advance a type of microprocessors that enable computers to analyze vast amounts of data more efficiently. However, Semptian has faced allegations that it was using the devices to enhance internet surveillance and censorship technology it provides to Chinese security agencies accused of human rights abuses (Ryan Gallagher, Intercept. "[Western and Chinese Tech Companies Reportedly Involved in Development of Surveillance Technology](#)." Business & Human Rights Resource Centre. July 15, 2019).

The Company also had plans to provide a censored version of its Google search engine to China through Project Dragonfly, which would have created a censored and traceable search tool for the Chinese government, but the Company eventually ended the project (Karen Gullo. "[Google's Perilous Plan for a Cloud Center in Saudi Arabia Is an Irresponsible Threat to Human Rights](#)." The Electronic Frontier Foundation. September 27, 2022).

Russia

In 2021, Apple and the Company [removed](#) access to the Navalny Smart Voting app, which was intended to help Russian voters choose candidates with the best chances of defeating the ruling party in parliamentary elections. The Company also restricted access to YouTube videos and Google Docs containing the names of recommended candidates.

In late 2024, Human Rights Watch [announced](#) that foreign tech companies, including the Company, Mozilla, and Apple were complying with Russian requests to take down content or prevent user access to censorship circumvention tools in Russia, despite violations to freedom of expression and access to information. Specifically regarding the Company, YouTube notified users in November that they had to remove censorship circumvention videos or be blocked, since Roskomnadzor, the Russian federal agency responsible for monitoring, controlling and censoring mass media, telecommunications and IT within the country, had listed them as prohibited information. Further, YouTube reportedly blocked three videos explaining how drafters could avoid mobilization in Russia, and also notified a Russian rights group that it could be removed, based on orders from Roskomnadzor.

U.S.-Mexico Border

In May 2018, the first Trump administration [established](#) a zero-tolerance policy to deter illegal immigration along the U.S.-Mexico border, with no exceptions for asylum seekers or those with minor children. The policy, which resulted in separations of between 5,300-5,500 children from their parents, was intended to deter migrants from coming to the border. The policy was rescinded by the Biden administration in late January 2021. The U.S. has [maintained](#) surveillance over the border in recent years. For example, Customs and Border Protection ("CBP") accepted a proposal in 2020 from Google Cloud to facilitate AI for the CBP Innovation Team through the INVNT project, which would create a new virtual wall along the southern border that combines surveillance towers and drones to detect unauthorized entry into the U.S., despite concerns from Company employees regarding a similar project in 2018 to deploy AI-enhanced drone image recognition (Lee Fang, Sam Biddle. "[Google AI Tech Will Be Used for Virtual Border Wall, CBP Contract Shows](#)." *The Intercept*. October 21, 2020).

CBP tech leaders and other officials addressed the agency's AI use cases at the Google Public Sector Summit in Washington, D.C., in October 2024. They explained that CBP began embracing AI earnestly five to six years ago, but generative AI tools were "an absolute game-changer." The agency uses the Company's Vertex AI system, for instance, to search across disparate data sources, creating an integrated data entity. The AI services have enabled the CBP to get data quickly to patrol agents in remote locations. The officials explained that in addition to using Google Translate, the CBP was using three natural language processing models to: (i) automate data processing; (ii) enhance investigations with third-party global trade data; and (iii) create integrated digital environments. Further, AI-enabled video tools are used at ports of entry on the Southwest border to detect illicit materials and assess threats (Matt Bracken. "[For Customs and Border Protection, AI Has Been a 'Game-Changer'](#)." *FedScoop*. October 17, 2024).

COMPANY POLICIES AND DISCLOSURE

In addition to the country-specific disclosure listed above, the Company [states](#) that it is committed to respecting the rights enshrined in the Universal Declaration of Human Rights and its implementing treaties, as well as upholding the standards established in the United Nations Guiding Principles on Business and Human Rights and in the Global Network Initiative Principles. Regarding its due diligence program, the Company states that it has product-specific counsel advising product teams who are part of the development and deployment of new products and features. It explains that product and regional counsel, in coordination with subject-matter and regional experts among the Company's policy staff, assess legal and policy risks.

Further, the Company's [Human Rights Program](#) includes managing human rights due diligence with impact assessments. The Company asserts that it works with internal stakeholders in areas such as data governance, content policies, and supply chain, and that engaging with external experts and affected stakeholders is also essential to its civil and human rights work, with regular engagement and formal consultation with civil society and other stakeholders informing the development of its products and policies. It addresses transparency, and states that its [Transparency Report](#) hub includes transparency reports on requests for user information, government requests to remove content, traffic and disruptions, and many other topics that can potentially impact human rights. In addition, the Company [emphasizes](#) that as a founding member of the Global Network Initiative ("GNI"), it is subject to a periodic assessment by an independent party to review how the Company integrates GNI Principles into its governance, due diligence and risk management, and operational practices.

Moreover, the Company [stated](#) in a blog post that it is committed to upholding human rights in every country in which it

operates. Additionally, it stated that whenever the Company expands operations in a new country, it undertakes thorough human rights due diligence, which often includes external human rights assessments that identify risks that the Company reviews carefully and decides how to address. The Company [provided](#) a 2022 blog post on its ongoing commitment to human rights, as well, including how it was strengthening its programmatic approach regarding human rights due diligence, independent assessment, new laws and regulations, multi-stakeholder collaboration, and crisis and conflict settings, of which it stated that the Company engaged with organizations like the GNI and International Committee of the Red Cross to better understand the humanitarian and human rights risks of technology in crisis and conflict settings, and it was working together to identify new ways to ensure technology is used responsibly to protect and assist people in need. It also discussed supporting the development of new tools, such as [conflict-sensitive human rights due diligence for ICT companies](#).

Finally, in its response to this proposal, the Company discusses its collaboration with Lumen, a project of Harvard University, which works with a variety of international research partners to offer information about the global landscape of Internet takedown requests. It states that Lumen posts and analyzes different kinds of requests to remove material from the Internet, including requests from government agencies, and Lumen receives these requests from participating companies as well as from individuals. It adds that when it is able to do so legally, the Company links from its search results to the requests published by Lumen in place of removed content (2025 DEF 14A, p.80).

For information regarding the Company's AI Principles, Responsible AI Progress Report, and its management of AI risks, please see our analysis in Proposal 11.

Regarding board oversight, the [audit and compliance committee](#) reviews and discusses with management the Company's major risk exposures, including civil and human rights, sustainability, operational, data privacy, legal, regulatory, compliance, and reputational risks, among others, as well as the steps the Company takes to prevent, detect, monitor, and actively manage such exposures.

Summary

Analyst Note

The Company maintains significant human rights-related disclosure and policies, including those concerning the regions in which it operates. It also maintains board-level oversight of this issue.

RECOMMENDATION

Given the vast scope and distribution of the Company's operations, we understand that the Company cannot be reasonably expected to monitor the day-to-day activities of each of its customers. However, we believe that a best effort should be put forward to identify and prevent risks to shareholder value stemming from human rights violations along its entire value chain. Nevertheless, at this time, we find the Company's current disclosure to be adequate for shareholders to understand such risks. Further, we believe the proponent has failed to provide sufficiently compelling evidence that the Company's current policies, procedures, or practices with respect to human rights represent an imminent threat to shareholder value.

We recognize that the Company could be exposed to significant legal, reputational, and regulatory risks. Accordingly, we believe that the Company should continue to provide shareholders with robust disclosure concerning how it is mitigating said risks. However, at this time, we are unconvinced that adoption of this proposal would add meaningfully to shareholders' understanding of how the Company was managing human rights-related issues at the various locations in which it maintains operations or that the Company has acted without regard to shareholder value in managing human rights-related risks. Thus, we do not believe support for this resolution is warranted at this time.

We recommend that shareholders vote **AGAINST** this proposal.

10.00: SHAREHOLDER PROPOSAL REGARDING GENAI DISCRIMINATION

AGAINST

PROPOSAL REQUEST:	That the Company report on how it oversees risk related to GenAI bias against religion or political views and the impact on users' civil rights	SHAREHOLDER PROPONENT:	Inspire Investing, LLC, on behalf of William C. Cunningham
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	REQUIRED TO APPROVE:	Majority of votes cast
RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:			
AGAINST - Not in the best interests of shareholders			

SASB MATERIALITY

PRIMARY SASB INDUSTRY: Internet Media & Services

FINANCIALLY MATERIAL TOPICS:

- Environmental Footprint of Hardware Infrastructure
- Data Security
- Intellectual Property Protection & Competitive Behavior
- Data Privacy, Advertising Standards & Freedom of Expression
- Employee Recruitment, Inclusion & Performance

GLASS LEWIS REASONING

- We do not believe that the proponent has provided a compelling rationale for how the board has failed in its oversight responsibilities or that the Company has, more broadly, failed to consider the ethical implications of its use of AI to the extent that warrants expending the resources required to undertake the requested assessment.

PROPOSAL SUMMARY

Text of Resolution: *Resolved: Shareholders request the Board of Directors of Alphabet assess and issue a report within the next year, at reasonable cost and excluding confidential information, evaluating how it oversees risks related to GenAI bias against religion (including religious views) or political views, and whether such discrimination may impact customers', users', and other individuals' exercise of their constitutionally protected civil rights.*

Proponent's Perspective

- Generative artificial intelligence ("GenAI") is revolutionizing how individuals access and process information, through chatbots, search engines, email services, word processors, and web search tools, and more;
- The proponent expresses concern that GenAI models are using misguided "misinformation" and "hate speech" policies to censor discussion, and even particular views, on controversial but important topics like COVID-19, women's sports, and abortion, as well as that these ill-defined policies allow companies to censor for vague and subjective reasons and then hide behind the policies to avoid accountability;
- The World Economic Forum ranked AI-generated "misinformation and disinformation" as the number one global risk, above inflation, climate change, and societal polarization;
- The Company has committed to upholding freedom of speech and freedom of conscience and other core human rights, as well as committing to avoid creating or reinforcing unfair bias in its 2018 AI Principles;
- The fall of the Global Alliance for Responsible Media and problems with the launch of the Gemini AI image generator show that censorship is unpopular, and it also raises legal risk because of concerns about illegal discrimination; and
- The Company should assure its shareholders that it is protecting fundamental freedoms that will contribute to a free and fair society and serve its diverse users and customers.

The proponent has filed an [exempt sonication](#) urging support for this resolution

Board's Perspective

- The Company's founding mission statement is a commitment to organizing the world's information and making it universally accessible and useful, reflecting the Company's deep focus on free expression and access to information;
- The Company is committed to developing artificial intelligence ("AI") systems that benefit all users, regardless of their viewpoints, as reflected in the Company's recently updated long-standing AI Principles and its transparency efforts;
- The Company prioritizes neutral and universal design principles, with a goal of minimizing unfair bias, and its statement last year regarding its approach to the Gemini app further reflects the Company's approach to these principles while also recognizing its obligation to prevent offensive, objectionable, or dangerous misuse of AI tools;
- The Company publishes an annual AI Responsibility Report, which provides detailed insights into its policies, practices, and processes for developing advanced AI systems, emphasizing neutral and universal design, and these reports, informed by extensive research, user feedback, and expert consultation, demonstrate the Company's commitment to minimizing illegal or otherwise objectionable outputs;
- The Company's model cards consistently document the multi-stage safety and quality filtering process, including data cleaning, filtering, and the removal of AI-generated images to prevent the learning of artifacts and biases;
- The Company will continue to invest in improving and releasing model cards to enhance public understanding of its models' training, evaluation, and risk mitigation, including addressing

- biases as described in this proposal;
- The Company's model cards, which summarize key elements of in-depth technical reports address the concerns raised by offering a broad range of evaluation results using a suite of benchmarks used across the industry; and
- The Company's model cards provide details on the Company's approach to post-training and deploying models responsibly, as guided by its AI Principles in products like the Gemini app, Vertex AI, and AI Studio.

THE PROPONENT

Inspire Investing LLC

[Inspire Investing](#) is an asset manager that offers a lineup of index-based portfolios that follow "diligent biblically responsible investing principles" that use the Inspire Impact Score methodology. It states [that](#) this methodology is a "rules-based scoring system [that] rates companies based on their alignment with biblical values and the degree to which they operate as a blessing to their customers, communities, workforce, and the world." On its website, it also provides the [scores](#) for over 47,000 tickers. It also offers [investment advisory services](#) and an [ETF](#) arm that manages over \$1.7 billion in faith-based ETF assets as of December 31, 2024. It states that as of December 31, 2023, it provided continuous management services for over \$2.5 billion in client assets on a discretionary basis.

With regard to its corporate engagement program, it [states](#) that it "advocates for transformation within companies by reaching out to companies when they violate exclusionary screens and advocating for the values of [its] investors." It [states](#) that this is a "powerful means of inspiring transformation not just in businesses, but across our entire culture."

Based on the disclosure provided by companies concerning the identity of their proponents, Inspire Investing submitted five shareholder proposals during the first half of 2024, which received 1.5% average support (excluding abstentions and broker non-votes), with none of its proposals receiving majority shareholder support.

GLASS LEWIS ANALYSIS

Glass Lewis recommends that shareholders take a close look at proposals such as this to determine whether the actions requested of the Company will clearly lead to the enhancement or protection of shareholder value. Glass Lewis believes that directors who are conscientiously exercising their fiduciary duties will typically have more and better information about the Company and its situation than shareholders. Those directors are also charged with making business decisions and overseeing management. Our default view, therefore, is that the board and management, absent a suspicion of illegal or unethical conduct, will make decisions that are in the best interests of shareholders.

ETHICAL CONCERNS REGARDING THE USE OF AI

This proposal is focused on the oversight afforded to generative artificial intelligence ("GenAI"). As part of its rationale for this proposal, the proponent states that GenAI models are using misguided "misinformation" and "hate speech" policies to censor discussion, and even particular views, on controversial but important topics like COVID-19, women's sports, and abortion, and that such policies allow companies to censor for vague and subjective reasons and then hide behind the policies to avoid accountability. While there are seemingly innumerable benefits and uses of AI technology, many have also raised concerns regarding the potential ethical implications of the use of AI. Below is an inexhaustive discussion of several issues facing companies that are employing the use of AI technology.

Discrimination and Bias

AI technology is arguably only as good as the inputs it receives. While some look to AI technology to act as a neutral arbiter, it can untimely result in discriminatory or biased outcomes if the data or programming underlying that technology also contains some level of bias. For example, a 2023 [study](#) in *Humanities and Social Sciences Communications* examined the use of AI during the employee recruitment process and found that AI-enabled recruitment has the potential to enhance recruitment quality, increase efficiency, and reduce transactional work. However, it also found that algorithmic bias can lead to discriminatory hiring practices based on gender, race, color, and personality traits.

The ACLU has also [cited](#) potential concern with such bias being incorporated in areas such as tenant selection, mortgage qualification, and financial lending. More specifically, when AI systems are used for loan approval decisions, there is a risk of replicating existing biases present in historical data used to train the algorithms, which can result in automatic loan denials for individuals from marginalized communities, reinforcing racial or gender disparities (Ryan Browne, MacKenzie Sigalos. " [A.I. Has a Discrimination Problem. In Banking. The Consequences Can Be Severe.](#)" *CNBC*. June 23, 2023).

Other discriminatory issues have arisen in relation to speech recognition technologies' abilities to recognize or properly understand Black speakers, people who do not speak English as a first language, or people with disabilities, who may greatly rely on voice-activated technologies. At least one study has also reported that some AI tools meant to detect the

use of ChatGPT in writing samples have at times falsely and unfairly flagged samples from non-native English speakers as being AI-generated texts (A.W. Ohlheiser. "[AI Automated Discrimination. Here's How to Spot It.](#)" Vox. June 14, 2023).

While users of AI technology should ensure that it free from bias, technology companies that develop these technologies could be exposed to additional risk should these technologies result in biased or discriminatory outcomes. For example, in a lawsuit filed in June 2020, four African American plaintiffs alleged that YouTube engaged in "overt, intentional, and systematic racial discrimination" against its users. The lawsuit accused YouTube of profiting off of hate speech, while at the same time excluding legitimate channels and videos from full revenue generation based solely on the inclusion of terms like "BLM" or "Police Brutality" in titles and tags. The plaintiffs claimed that the firm used artificial intelligence, algorithms, and other sophisticated filtering tools to profile and target users for censorship based "wholly or in part" on race. Further, in addition to damages and restitution, the plaintiffs asked for a declaration that Section 230 of the Communications Decency Act couldn't be used to immunize entities from discrimination claims (Holly Barker. "[YouTube Sued for Race Discrimination. Profiting from Hate Speech.](#)" *Bloomberg Law*. June 17, 2020).

GPT Hallucinations and Defamation

There is also a possibility for AI outputs to result in harm to individuals or potential defamation claims. For example, Mark Walters, a radio host from Georgia, sued OpenAI in June 2023, claiming that its chatbot generated a legal complaint accusing him of embezzling money from a gun rights group, allegations Walters said he had never faced. The complaint was generated in response to a journalist's research on a real court case but provided information that was entirely fake. Nevertheless, legal experts anticipated a defense could draw on CDA 230 (Isaiah Poritz. "[First ChatGPT Defamation Lawsuit to Test AI's Legal Liability.](#)" *Bloomberg Law*. June 12, 2023). The journalist whose queries generated the false information in a ChatGPT hallucination never actually published the misinformation, nor did Walters notify OpenAI that ChatGPT was making false statements about him, two factors which complicate the suit's chances of success (Debra Cassens Weiss. "[Radio Host Faces Hurdles in ChatGPT Defamation Suit.](#)" *ABA Journal*. June 12, 2023).

AI Washing

The term 'AI washing' refers to companies' exaggerations about the capabilities of their AI technology. This issue is becoming more salient given recent reports that certain companies are using humans to do the work that companies have said is being done by AI technology. A recent study found that more than 30% of companies' marketing claims about AI and machine learning were exaggerated among 40 different U.S. firms up for sale in 2019. Another study found that only 1,580 firms out of 2,830 startups claiming to be AI companies actually fit the description. Regulators are beginning to pay attention, with the SEC warning in February 2024 that AI washing could break securities law, and in March settling with two investment firms for \$400,000 for AI exaggerations (Parmy Olson. "[Amazon's AI Stores Seemed Too Magical. And They Were.](#)" *Bloomberg*. April 3, 2024).

Privacy

AI can also result in some privacy implications, which, if not carefully managed, could result in potential legal risks for companies. In September 2023, two unnamed software engineers filed a class-action suit against Microsoft and OpenAI, claiming that they were training their AI chatbots using hundreds of millions of internet users' stolen personal information from social media platforms and other sites (Blake Brittain. "[OpenAI, Microsoft Hit with New US Consumer Privacy Class Action.](#)" *Reuters*. September 6, 2023). A separate suit argues that OpenAI is not transparent enough with its users so they understand that the data they put into the model may be used to train new products from which it will generate revenues. It also claims that OpenAI does not do enough to ensure children under 13 are not using its tools (Gerrit De Vynck. "[ChatGPT Maker OpenAI Faces a Lawsuit over How It Used People's Data.](#)" *The Washington Post*. June 28, 2023). The suit also [refers](#) to the potential for AI hallucinations as a cause for concern regarding the chatbots' use of users' private data (p.50).

ARTIFICIAL INTELLIGENCE AT THE COMPANY

While there are myriad uses for AI technology, each company has unique risk exposures that largely depend on the types and uses of AI employed by a given company. Below is a high-level discussion of how the Company is employing this technology.

The Company's president of global affairs [discusses](#) the Company's commitment to advancing bold and responsible AI together. He presents information on applying AI to solve society's biggest challenges, promoting safe and secure AI systems, building trust in AI systems, and building responsible AI together.

The Company affirms that it has been bringing AI into its products and services for more than a decade and making them available to its users (2024 10-K, p.5). For example, the Company states that through its Google Cloud Platform and Google Workspace offerings, customers use Google Cloud in multiple ways including, among others: (i) AI-optimized infrastructure; (ii) developer platform; (iii) cybersecurity; (iv) data and analytics; and (v) applications (pp.7-8).

In 2023, the Company introduced Gemini, its natively multimodal AI model, to make AI more helpful for everyone. In 2024, the Company launched Gemini 2.0, its most capable model. The Company states that Gemini can generalize and seamlessly understand, operate across, and combine different types of information including text, code, audio, image, and video. It adds that Gemini is powering AI features across its products and services that are helping people everyday, and that today, all seven of its two billion-user products — Android, Chrome, Gmail, Maps, Play Store, Search, and YouTube — are using Gemini. Further, the Company states that its Google Cloud products, including Google Cloud Platform and Google Workspace, help organizations stay at the forefront of innovation with the Company's AI-optimized infrastructure, AI development platform, models, as well as assistive agents and applications. It also emphasizes that it believes that AI has the potential to solve important societal, scientific, and engineering challenges. For example, in 2020, Google DeepMind's AlphaFold system solved a 50-year-old protein folding challenge, and in 2024, the Company introduced AlphaFold 3, built on the previous models, to predict the structure and interactions of all the molecules in life's processes (p.5).

In April 2024, the Company's CEO announced that the Company was establishing a new Platforms and Devices team to oversee its Pixel products, as well as all of Android, Chrome, ChromeOS, Photos, and more, with the consolidations driven by the Company's focus on AI. The CEO explained that by combining teams, the Company would be able to more quickly integrate AI across all of its products. For instance, the Company was adding its Gemini model and chatbot to many of its products and services, and it planned to update Google devices more often as AI models improve (David Pierce. "[Google Is Combining Its Android and Hardware Teams--And It's All About AI.](#)" *The Verge*. April 18, 2024).

Shortly thereafter, the Company announced that it would be investing \$3 billion in a data center campus in Indiana, as well as expansions to three sites in Virginia to support its AI applications. It also announced its \$75 million Google AI Opportunity Fund to train Americans on AI skills (Yuvraj Malik, Sriraj Kalluvila. "[Google Plans \\$3 Billion Data Center Investment in Indiana, Virginia.](#)" *Reuters*. April 26, 2024). Along with the investment in data centers and the training fund, Google [launched](#) a new online course, [Google AI Essentials](#), on Coursera, teaching foundational AI skills and best practices (Imad Khan. "[Google Launches AI Education Course Along with \\$75 Million in Grants.](#)" *CNET*. April 26, 2024).

Gemini

In February 2024, the Company introduced its Gemini smartphone app, which merged the functions of its Google Assistant with those of its conversational chatbot Google Bard, which it released in March 2023. The large language model program was able to identify patterns in texts and respond to images and sound, though it also had the potential to hallucinate, like other large language models (Cade Metz. "[Google Releases Gemini, a A.I.-Driven Chatbot and Voice Assistant.](#)" *The New York Times*. February 8, 2024).

The Company's Gemini model family included three options: (i) Gemini Ultra, the most powerful model; (ii) Gemini Pro, the "lite" model; and (iii) Gemini Nano, a smaller "distilled" model for devices such as Pixel 8 Pro. Unlike Google's LaMDA model, all the Gemini models were pre-trained with audio, images, video, a large set of codebases, and text in different languages. Google was using Gemini apps on the web and mobile (formerly Bard) as an interface through which to access certain Gemini models, but the actual Gemini models could transcribe speeches, caption videos and images, and also generate artwork (Kyle Wiggers. "[Google Gemini: Everything You Need to Know About the New Generative AI Platform.](#)" *Tech Crunch*. April 29, 2024).

Vertex AI Agent Builder

At the Google Cloud Next 2024 event, the Company launched its unified AI development platform, Vertex AI Agent Builder, which uses Google AI Studio and Agent Builder, providing 130 foundational models for developers to build and deploy with natural language or code. Developers would be able to use open-source frameworks on the platform, and developers would use a combination of pre-made templates with prompt-based tools to build agents or to stitch together multiple agents to handle business workflows. Additionally, users would be able to pursue model grounding with their own data sources, so that models training on general "world data" could be trained with data specific to an organization (Kay Ewbank. "[Google Releases Vertex AI Agent Builder.](#)" *I Programmer*. May 6, 2024).

Med-Gemini

Google Research and DeepMind (Google AI's research lab) released a [paper](#) examining the results of their medical adaptations applied to foundational Gemini models to create Med-Gemini, its medicine-focused large language model. Google trained Med-Gemini on multiple-choice questions representative of those asked on the U.S. Medical License Exam, but it also developed a reasoning data set to create reasoning explanations and a reasoning and search data set to use web search results as context for improved answer accuracy. According to the MedQA benchmark, Med-Gemini achieved 91.1% accuracy and performed better than GPT-4 by an average relative margin of 44.5%. The Company has also worked to train Med-Gemini to understand and reason from long-context medication information, such as electronic health records, and it performed well on needle-in-a-haystack retrieval tasks, which could have real-world significance for clinicians struggling to quickly and accurately process long-context patient data. However, researchers cautioned that they

had not yet benchmarked Med-Gemini's capabilities, but the researchers planned to incorporate responsible AI principles, including privacy and fairness, throughout the model development process (Paul McClure. " [Google's Medical AI Destroys GPT's Benchmark and Outperforms](#)

CONTROVERSIES CONCERNING THE COMPANY'S USE OF AI

False Information and Hallucinations

A group of 63 Japanese medical professionals filed a class action lawsuit against Google in April 2024, claiming that groundless and false negative reviews of doctors and professionals were being placed on the popular Google Maps app. The group was seeking 1.4 million yen, or \$9,400, in damages for the comments, with the intention of highlighting the dangers of the Company's technology. Google responded that it was working to reduce misleading and false content on its platform (Yuri Kageyama, Associated Press. "[Japanese Doctors Sue Google Over False Reviews to Highlight the Platform's Dangers](#)." *Fast Company*. April 19, 2024).

Copyright Infringement

A group of visual artists including a photographer and several cartoonists sued Google in the U.S. District Court for the Northern District of California in April 2024, claiming that Google had trained its Imagen AI image generator using "billions" of copyrighted images without permission. The group proposed the case as a class action suit seeking unspecified damages and an order for Google to destroy its copies of the plaintiffs' work. Some of the plaintiffs were already involved in a similar lawsuit against Stability AI, Midjourney, and others. Google responded that its AI models were primarily trained on publicly available information online and that it would refute the suit's claims in court (Blake Brittain. " [Google Sued by US Artists over AI Image Generator](#)." *Reuters*. April 29, 2024).

COMPANY DISCLOSURE

In its response to this proposal, the Company states:

Our founding mission statement is a commitment to organizing the world's information and making it universally accessible and useful. That reflects our deep focus on free expression and access to information.

We are committed to developing AI systems that benefit all users, regardless of their viewpoints. This commitment is reflected in our recently updated long-standing AI Principles and our transparency efforts. We also prioritize neutral and universal design principles, with a goal of minimizing unfair bias.

The Company also shares its [approach to the Gemini app](#), explaining that large language models can be unpredictable, and aligning outputs to complex and diverse user needs can pose alignment challenges, particularly around potentially divisive topics related to public interest issues or to political, religious, or moral beliefs. It stresses that generative AI, like any emerging technology, presents both opportunities and challenges. The Company explains that tools like Gemini represent a transformational step forward in AI technology, and the Company is working to evolve these capabilities in responsible ways. It then asserts that it is taking a long-term, iterative approach, informed by its research and users' feedback, which will shape Gemini's continued development and ensure it meets users' evolving needs. It also welcomes users' reactions as it moves forward.

Regarding its [model cards](#), the Company states in its response to this proposal that it pioneered the concept to provide clear, structured information about its models' development and evaluation. It emphasizes that it has continuously refined these cards to enhance clarity and include comprehensive assessments of intended usage, limitations, risks, and mitigations. For instance:

- The Gemini 1.5 Pro Model card details evaluations for new capabilities, confirms that guidelines mitigate biases, and outlines evaluations to identify representational harms, and
- The Imagen 3 Model card provides insights into the Company's state-of-the-art text-to-image diffusion model, addressing safety and representation issues and outlining harm minimization methods.

It also states that the Company's model cards consistently document the multi-stage safety and quality filtering process, including data cleaning, filtering, and the removal of AI-generated images to prevent the learning of artifacts and biases. It also affirms that it will continue to invest in improving and releasing model cards to enhance public understanding of the Company's models' training, evaluation, and risk mitigation, including addressing biases as described in this proposal. Further, its model cards, which summarize key elements of in-depth technical reports (e.g., Gemini 1.5, Gemma, [Imagen 3](#)), address the concerns raised by offering a broad range of evaluation results using a suite of benchmarks used across the industry. In addition, the Company's model cards provide details on the Company's approach to post-training and deploying models responsibly, as guided by its AI Principles in products like the Gemini app, Vertex AI and AI Studio (2025 DEF 14A, p.83). The Company also provides information on responsible AI and limitations for [Gemini for Google Cloud](#) and [Gemini Code Assist](#).

For a full analysis of its Google [AI Principles](#) and its 2025 [Responsible AI Progress Report](#), as well as regulations governing AI, please see our analysis of Proposal 11.

Regarding oversight of AI, the [audit and compliance committee](#) reviews and discusses with management the Company's major risk exposures, including financial, operational, data privacy and security, competition, legal, regulatory, compliance, civil and human rights, sustainability, and reputational risks, and the steps the Company takes to prevent, detect, monitor, and actively manage such exposures. The [leadership development, inclusion, and compensation committee](#) oversees matters relating to the Company's human capital management, including with respect to inclusion, its workplace environment, and corporate culture. Additionally, it oversees management's efforts to promote a workplace environment and culture that is healthy, vibrant, inclusive, respectful, and free from employment discrimination, including harassment and retaliation. However, it does not appear that there is explicit discussion on how the board oversees AI-related issues.

However, in response to a shareholder proposal at the 2024 AGM, the Company stated that the board's oversight function of major risks and risk exposures, including those relating to or resulting from the Company's development and implementation of AI in its products and services, sits at the top of its risk management framework, and as set forth in the Company's Corporate Governance Guidelines, the board is ultimately responsible for covering strategic, financial, and execution risks and exposures associated with the Company's business strategy, production innovation, and policy and significant regulatory matters that may present material risk to its financial performance, operations, plans, prospects, or reputation. Further, it adds that the board's broad skills and expertise, including deep technical expertise in computer science, facilitate oversight of a highly complex global business, and the full board meetings have regularly and extensively covered AI issues. Moreover, the audit committee and senior management provide the board with reports and updates regarding issues and risk exposures regarding AI development, and these discussions ensure that the board is fully involved in the oversight of the Company's business strategies and plans as they relate to AI (2024 DEF 14A, p.94).

Summary

Analyst Note

The Company provides a broad range of disclosures related to its use of AI. In addition, the Company explicitly discusses the use of responsible AI practices as well as its human rights considerations in a manner that allows shareholders to fully comprehend how the Company is considering and overseeing these matters.

RECOMMENDATION

We understand the Company faces myriad risks from the use of AI technologies in its operations. As such, we believe that it should maintain robust oversight of how AI is used and what considerations are made in its development and use, as a failure to do so could represent reputational and legal risks. In this case, this proposal is requesting the Company assess and report on how it oversees risks related to GenAI bias against religion (including religious views) or political views, and whether such discrimination may impact customers', users', and other individuals' exercise of their constitutionally protected civil rights. In our view, this assessment would likely be resource-intensive, and it is not clear that this assessment would provide shareholders with meaningful information given the Company's existing disclosures. Moreover, we do not believe that the proponent has provided a compelling rationale for how the board has failed in its oversight responsibilities or that the Company has, more broadly, discriminated against any religious or political views in its use and development of AI. As such, we do not find significant cause to escalate this matter to the extent requested by this proposal.

That being said, we understand that this is not a static or simple issue and would encourage the Company to continue to ensure that it is providing reporting and explicit oversight that is responsive to shareholders' needs and that allows them to understand how the Company is ensuring their interests are protected given the evolving nature of AI-related risks. Accordingly, we will continue to monitor the Company's disclosures in this regard and may recommend in favor of future resolutions should it be clear that the Company's management or oversight of this issue has threatened shareholder value.

We recommend that shareholders vote **AGAINST** this proposal.

11.00: SHAREHOLDER PROPOSAL REGARDING REPORT ON RISKS OF AI DATA SOURCING

FOR

PROPOSAL REQUEST:	That the Company prepare a report assessing the risks presented by the unethical or improper usage of external data in AI training	SHAREHOLDER PROPONENT:	National Legal and Policy Center
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	REQUIRED TO APPROVE:	Majority of votes cast
RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:			
FOR -	Additional disclosure will better allow shareholders to understand the Company's management of AI-related risks		

SASB MATERIALITY	PRIMARY SASB INDUSTRY: Internet Media & Services
	FINANCIALLY MATERIAL TOPICS: - Environmental Footprint of Hardware Infrastructure - Data Security - Intellectual Property Protection & Competitive Behavior - Data Privacy, Advertising Standards & Freedom of Expression - Employee Recruitment, Inclusion & Performance

GLASS LEWIS REASONING

- We believe that adoption of this proposal could provide shareholders with a better basis to allow them to assess the potential risks to the Company from its use of external data in the development and training of its AI technology.

PROPOSAL SUMMARY

Text of Resolution: *Resolved: Shareholders request the Company to prepare a report, at reasonable cost, omitting proprietary or legally privileged information, to be published within one year of the Annual Meeting and updated annually thereafter, which assesses the risks to the Company's operations and finances, and to public welfare, presented by the real or potential unethical or improper usage of external data in the development, training, and deployment of its artificial intelligence offerings; what steps the Company takes to mitigate those risks; and how it measures the effectiveness of such efforts.*

Proponent's Perspective

- The development of artificial intelligence ("AI") systems relies on vast amounts of data, and the public information available via the internet may not be enough for developers' proclivity for high-quality training data;
- Stakeholders are concerned that developers will draw from sources in an unethical or illegal manner;
- The Company is an early leader in AI, which has helped push the Company to one of the highest market capitalizations in the world, and some outlets project that the "unrivaled" data access and dominance in the search market of subsidiary Google will position the Company to eventually overtake its AI competitors and be the first to establish dominance in the generative AI market;
- Given the Company's record on data ethics, shareholders, consumers, and businesses should be concerned that the Company's AI expansion will drive further misconduct;
- The proponent raises concerns over the Company's privacy and ethics violations; and
- Prioritizing data ethics in the Company's AI development will help avoid harmful fiduciary and regulatory consequences.

The proponent has filed an [exempt solicitation](#) urging support for this resolution

Board's Perspective

- The Company operates an authoritative, comprehensive, and auditable system of record for all of its artificial intelligence ("AI") assets, including its models, its applications, and the workflows that produce them, and this system is foundational to the Company's commitment to AI safety and governance;
- The Company annotates all AI assets with detailed tracking of data origins and usage (auditable lineage), and this detailed tracking is designed to meet the Company's internal compliance standards and to address emerging legislation, such as the EU's AI Act, ensuring transparency and accountability in the Company's AI development processes;
- The Company is deeply committed to user privacy and maintains protocols regarding private data and tracking, and its policies are designed to protect user privacy and safety through responsible data practices, including limits on the personal information that is used and saved, use of advanced privacy technologies to help keep personal information private, and privacy protocols followed throughout the product development lifecycle;
- The Company employs advanced security technologies and practices to protect user data from unauthorized access, use, or disclosure, and it is committed to complying with all applicable privacy laws and regulations, such as the EU's General Data Protection Regulation;
- The Company takes seriously the risks to AI safety and security stemming from the improper use of external data, and it has implemented governance processes for its AI launches,

including governance of the data used in generative AI launches to ensure compliance with the Company's ethical standards and legal requirements;

- The Company conducts extensive safety evaluations to identify and mitigate potential risks associated with data use and model behavior;
- The Company is committed to responsibly using data, and in 2023, it published an update on web publisher controls, providing a clear and easy-to-use mechanism for publishers to opt out of having data on their sites crawled for the Company's AI training, and the Company tracks and implements these opt-out requests in line with Google-Extended, a control that publishers can use to manage whether their sites help improve Bard and Vertex AI generative APIs;
- All of the Company's AI work conforms to its Secure AI Framework ("SAIF"), which the Company designed to mitigate security risks specific to AI systems across the public and private sectors, and the Company's SAIF commitments are part of its commitment to protecting privacy and security across the internet;
- The Company's AI and data governance and management structures and continued work with regulators and the broader community on its initiatives address the concerns raised by the proponent; and
- The Company continuously monitors the evolving landscape of AI and regulation to proactively address emerging risks and ensures long-term compliance.

THE PROPONENT

The National Legal & Policy Center

The proponent of this proposal is the National Legal & Policy Center ("NLPC"). The [NLPC describes](#) itself as a 501(c)(3) that "promotes ethics in public life through research, investigation, education, and legal action," and believes "the best way to promote ethics is to reduce the size of government." As NLPC is not an investor, it does not have AUM. Based on the disclosure provided by companies concerning the identity of proponents, during the first half of 2024, the NLPC submitted 23 shareholder proposals that received an average of 3.9% support, with none receiving majority shareholder support.

As part of the [corporate integrity project](#) on its website, the NLPC shares its concerns regarding "woke" corporate executives, for instance posting articles about inclusive content ["devaluing"](#) the Pixar franchise or about how the NLPC has [reported](#) Visa's chair and CEO to the SEC for ongoing "wokeness." The project also examines a supposed pushback against ESG initiatives, featuring pieces such as one describing [corporate America's anti-racism programs as racist](#) against white people and another promoting the NLPC's efforts to [nominate](#) a fossil-fuel-supporting director candidate to the board of Exxon Mobil Corporation. The NLPC has submitted other shareholder proposals that, upon first impression, appear to be consistent with environmental and social proposals that call for information or action on enhancing companies' approaches to environmental and social factors but, upon further review, appear to be designed to inhibit companies' actions in such areas.

GLASS LEWIS ANALYSIS

Glass Lewis believes that decisions regarding the formation of board committees and policies related thereto are typically best left to management and the board, absent a showing of egregious or illegal conduct that might threaten shareholder value. We view attention to and expertise on sustainability issues as positive attributes of a diverse board of directors, particularly at a widely known firm with global operations, such as the Company. However, we believe that the board is in the best position to determine and recommend which specialized committees are desirable in light of the Company's unique needs. Shareholders can hold board members accountable for their decisions on these issues through the election of directors.

In this case, the Company is a collection of businesses, the largest of which is Google. The Company reports Google in two segments, Google Services and Google Cloud, and all other non-Google businesses collectively as Other Bets (2024 10-K, p.4). The Company has been bringing AI into its products and services for more than a decade and making them available to users (p.5). With regard to the topic of this proposal, the Company expects that its capital expenditures will increase, including its expected spend and the expected increase in its technical infrastructure investment to support the growth of its business and its long-term initiatives, in particular in support of AI products and services (p.3). Given the size and scope of its operations, we would expect the board to ensure it affords appropriate levels of oversight to matters related to its use of artificial intelligence ("AI") and the potentially significant risks involved with the use of this dynamic technology.

REGULATIONS GOVERNING AI AND DATA USAGE

In light of the rapid proliferation of AI and its potentially disruptive effects, it is unsurprising that regulators around the world have begun to address the use of these technologies. Below is a high-level discussion of the regulations concerning the use of AI.

United States

U.S. lawmakers and regulators have expressed increasing concern over the potential risks of generative AI as such models become more advanced and widespread. For instance, in a May 2023 meeting at the White House, then-President Joe Biden and then-Vice President Kamala Harris pushed AI developers, including Alphabet, OpenAI, and Microsoft, to seriously consider concerns over the use of AI. They also pushed for developers to be more open about their products, the need for AI systems to be subjected to outside scrutiny, and the importance that those products be kept away from bad actors. The White House further pledged to release draft guidelines for government agencies' use of AI safeguards (David McCabe. " [White House Pushes Tech C.E.O.s to Limit Risks of A.I.](#)" *The New York Times*. May 4, 2023). Following the meeting, Microsoft, OpenAI, and five other companies engaged in AI development agreed to voluntary safeguards. The safeguards include security testing, in part by independent experts; research on bias and privacy concerns; information sharing about risks with governments and other organizations; development of tools to fight societal challenges like climate change; and transparency measures to identify AI-generated material (Michael D. Shear, Cecilia Kang, David E. Sanger. " [Pressured by Biden, A.I. Companies Agree to Guardrails on New Tools.](#)" *The New York Times*. July 21, 2023).

Despite these voluntary measures, Biden signed an executive order in October 2023 requiring AI developers to share their safety test results and other information with the government. The order also directed government agencies to create new standards to ensure AI tools are safe and secure before public release, required new guidance to label and watermark AI-generated content to help differentiate them from authentic interactions, and asked federal agencies to review the use of AI in the criminal justice system (Josh Boak, Matt O'Brien. " [Biden Wants to Move Fast on AI Safeguards and Signs an Executive Order to Address His Concerns.](#)" *Associated Press*. October 30, 2023). According to an EY [analysis](#), Biden's executive order represented a significant contribution to the subject of accountability in how AI is developed and deployed across companies. Moreover, given the breadth of recommendations and actions provided, the order was likely to have an effect on companies across all sectors of the economy. However, on January 21, 2025, President Donald Trump revoked Biden's executive order on addressing AI risks, claiming that the 2023 executive order hindered AI innovation (David Shepardson. " [Trump Revokes Biden Executive Order on Addressing AI Risks.](#)" *Reuters*. January 21, 2025).

The EO was not the first attempt the Biden administration had made to curb the potential adverse impacts of AI. A year prior, in October 2022, the White House Office of Science and Technology Policy published a set of guidelines to help guide the design, use, and deployment of AI, which includes five principles: (i) safe and effective systems; (ii) algorithmic discrimination protections; (iii) data privacy; (iv) notice and explanation; and (v) human alternatives, consideration, and fallback. The Blueprint for an AI Bill of Rights was intended to provide guidance whenever automated systems can meaningfully impact the public's rights, opportunities, or access to critical needs (Ellen Glover, updated by Hal Koss. " [AI Bill of Rights: What You Should Know.](#)" *Built In*. March 19, 2024).

AI developers have also attracted attention from the legislative and judicial branches. In September 2023, U.S. Senators Richard Blumenthal and Josh Hawley announced their plans to introduce a framework to regulate AI technology. The framework included requirements for the licensing and auditing of AI, the creation of an independent federal office to oversee the technology, liability for companies for privacy and civil rights violations, and requirements for data transparency and safety standards. The Senate also met with industry leaders, including from Microsoft and OpenAI, in a separate meeting on possible AI-related regulations (Cecilia Kang. " [2 Senators Propose Bipartisan Framework for A.I. Laws.](#)" *The New York Times*. September 7, 2023). Meanwhile, in a September 2023 letter, the attorneys general of all 50 U.S. states urged Congress to study how AI could be used in child exploitation. The letter further called on Congress to expand existing restrictions on child sexual abuse materials specifically to cover AI-generated images (Meg Kinnard. " [Prosecutors in All 50 States Urge Congress to Strengthen Tools to Fight AI Child Sexual Abuse Images.](#)" *Associated Press*. September 5, 2023).

Around the same time, U.S. Senators Ron Wyden and Cory Booker, along with Representative Yvette Clarke, [introduced](#) the [Algorithmic Accountability Act of 2023](#), to create new protections for people affected by AI systems that are impacting decisions affecting credit, housing, education and other high-impact uses. The bill applies to new generative AI systems used for critical decisions, as well as other AI and automated systems, and would obligate the FTC to require companies to perform impact assessments of their AI systems. It would also create a public repository at the FTC of these systems.

U.S. lawmakers also introduced the "Creating Resources for Every American to Experiment with Artificial Intelligence Act of 2023," or the [CREATE AI Act of 2023](#), which would statutorily [establish](#) the National AI Research Resource, a cloud computing resource to democratize the development and use of AI, currently a proof-of-concept pilot program under the

direction of the [National Science Foundation](#). The legislation was sponsored by Rep. Anna Eshoo of California and includes 68 cosponsors. The bill is currently undergoing the legislative process and is identical to [S.2714](#), sponsored by Senator Martin Heinrich of New Mexico in July 2023.

Meanwhile, the Bipartisan Senate Artificial Intelligence Working Group released a [Roadmap for AI policy](#) in May 2024, aiming to support federal investment in AI while safeguarding the risks of technology. The AI Working Group encouraged the executive branch and the Senate Appropriations Committee to continue assessing how to handle ongoing needs for federal investments in AI, with the goal of reaching as soon as possible the spending level proposed by the National Security Commission on Artificial Intelligence: at least \$32 billion per year for (non-defense) AI innovation (p.5).

The roadmap [identified](#) areas of consensus that the working group believed merit bipartisan consideration in the Senate in the 118th Congress and beyond and provided several proposals (p.4), such as:

- Increasing funding for AI innovation to maintain global competitiveness;
- Ensuring the enforcement of existing AI laws and addressing any unintended bias;
- Considering the impact AI will have on the U.S. workforce, including potential job displacement and demands to train workers;
- Addressing issues related to deepfakes, particularly with regard to election content and "nonconsensual intimate images"; and
- Mitigating threats of "potential long-term risk scenarios."

(Barbara Sprunt. ["A Bipartisan Group of Senators Unveils a Plan to Tackle Artificial Intelligence."](#) *NPR*. May 15, 2024).

Additionally, the group [supported](#) a comprehensive federal data privacy law to protect personal information and that the legislation should address issues related to data minimization, data security, consumer data rights, consent and disclosure, and data brokers (p.14). To safeguard against AI risks, the working group encouraged companies to perform detailed testing and evaluation to understand the landscape of potential harms and not to release AI systems that cannot meet industry standards (p.16).

In July 2024, the National Institute of Standards and Technology ("NIST"), an organization under the U.S. Department of Commerce, [released](#) three final guidance documents to help improve the safety, security, and trustworthiness of AI systems. NIST had previously [launched](#) the [Trustworthy and Responsible AI Resource Center](#) on March 30, 2023, which facilitates implementation of, and international alignment with, the [AI Risk Management Framework](#).

Meanwhile, the U.S. Department of Commerce's Bureau of Industry and Security [released](#) a notice of proposed rulemaking in September 2024 outlining a new mandatory reporting requirement for AI developers and cloud providers to ensure the technologies are safe and can withstand cyberattacks (David Shepardson. ["US Proposes Requiring Reporting for Advanced AI. Cloud Providers."](#) *Reuters*. September 9, 2024). The regulatory push came as legislative action in Congress on AI had stalled (David Shepardson. ["US to Convene Global AI Safety Summit in November."](#) *Reuters*. September 18, 2024).

AI systems have come under regulatory scrutiny as well. In July 2023, the FTC opened an investigation into whether OpenAI's ChatGPT tool harmed consumers through its collection of data and publication of false information on individuals. As part of the investigation, the FTC asked OpenAI about its AI model training and its use of personal data, and demanded that the firm provide it with documents and details (Cecilia Kang, Cade Metz. ["F.T.C. Opens Investigation Into ChatGPT Maker Over Technology's Potential Harms."](#) *The New York Times*. July 13, 2023).

There have also been a number of state-level regulations introduced governing AI. For example, as of June 2023, nine states had enacted regulations relating to deepfake content, most often in the context of pornography and election influence, and four other states were pursuing similar bills. The first states to pass deep fake legislation include California, Texas, and Virginia, which passed bills in 2019, while Minnesota passed its deepfake law in May 2023 and Illinois signed new deepfake legislation in August 2024. Many states are also amending their election codes to ban deepfake campaign ads within a specific time frame before an election. Yet another complication to creating legislation to address harmful deepfakes is that some experts have expressed concern that well-meaning legislation, if not carefully crafted, could have a detrimental effect on people's First Amendment rights. For example, the ACLU of Illinois at first opposed the pornographic deepfake bill developed in Illinois because the bill's sweeping provisions and immediate takedown clause could "chill or silence vast amounts of protected speech." In response, lawmakers have employed various amendments to change the bill to include deepfakes into the state's existing revenge porn statute, which the ACLU said was an improvement, though it still maintained some concern. California, on the other hand, included specific references to First Amendment protections in its bill. Any federal regulations on AI-generated deepfakes will likely face the same concerns regarding free speech, especially if they include broad language such as limiting exceptions to "legitimate public concern" (Isaiah Poritz. ["Deepfake Porn, Political Ads Push States to Curb Rampant AI Use."](#) *Bloomberg Law*. June 20, 2023).

In the 2024 legislative session, at least 45 states, Puerto Rico, the Virgin Islands, and Washington D.C., [introduced](#) AI bills and 31 states, Puerto Rico, and the Virgin Islands adopted resolutions or enacted legislation.

Canada

On September 27, 2023, the Canadian Minister of Innovation, Science and Industry announced Canada's [Voluntary Code of Conduct on the Responsible Development and Management of Advanced Generative AI Systems](#) ("Voluntary Code"). Recognizing the proliferation of innovative AI systems capable of generating content, such as ChatGPT, DALL-E 2, and Midjourney, the code is a set of voluntary commitments intended to commit developers and managers of advanced generative systems to undertake actions to identify and mitigate related risks. The Voluntary Code is intended to apply to advanced generative AI systems, but it acknowledges that several measures are broadly applicable to a range of high-impact AI systems.

In undertaking this voluntary commitment, developers and managers of advanced generative systems [commit](#) to working to achieve the following outcomes:

- **Accountability:** companies understand their role with regard to the systems they develop or manage, put in place appropriate risk management systems, and share information with other organizations as needed to avoid gaps;
- **Safety:** systems are subject to risk assessments, and mitigations needed to ensure safe operation are put in place prior to deployment;
- **Fairness and Equity:** potential impacts with regard to fairness and equity are assessed and addressed at different phases of development and deployment of the systems;
- **Transparency:** sufficient information is published to allow consumers to make informed decisions and for experts to evaluate whether risks have been adequately addressed;
- **Human oversight and monitoring:** system use is monitored after deployment, and updates are implemented as needed to address any risks that materialize; and
- **Validity and robustness:** systems operate as intended, are secure against cyberattacks, and their behaviour in response to the range of tasks or situations to which they are likely to be exposed is understood.

As such, the Voluntary Code of Conduct [requires](#) companies to implement appropriate risk management systems that are proportionate to the scale and impact of their activities. It also commits developers and managers to, among other measures, implement comprehensive risk management frameworks, including policies, procedures, and training to ensure staff understand their duties and the organization's risk management practices. Companies also commit to sharing information and best practices on risk management with other firms playing complementary roles in the ecosystem. In addition, developers at companies whose AI systems are available for public use commit to employing multiple lines of defense, which include conducting third-party audits, to ensure the safety of their AI systems prior to release.

In March 2025, the Canadian Minister of Innovation, Science and Industry [announced](#) a series of initiatives to support responsible and safe AI adoption, including:

- A refreshed membership for the [Advisory Council on Artificial Intelligence](#);
- The launch of the [Safe and Secure Artificial Intelligence Advisory Group](#) to advise the government on the risks associated with AI systems and ways to address them; and
- The publication of [a guide](#) for managers of AI systems to support the implementation of Canada's Voluntary Code of Conduct on the Responsible Development and Management of Advanced Generative AI Systems.

At the time, six new organizations, including CIBC, Clir, Cofomo Inc., Intel Corporation, Jolera Inc. and PaymentEvolution, [signed](#) on to the Voluntary Code. The six companies joined 40 other signatories that have already adopted the pledge (Innovation, Science, and Economic Development Canada. "[Canada Moves Toward Safe and Responsible Artificial Intelligence](#)." *Cision Newswire*. March 6, 2025).

The European Artificial Intelligence Act

After months of negotiations between different political groups, European lawmakers agreed on the EU AI Act, the world's first comprehensive set of rules governing AI technology, in May 2024 (Martin Coulter. "[Tech Giants Push to Dilute Europe's AI Act](#)." *Reuters*. September 20, 2024). The Act came into [effect](#) on August 1, 2024, introducing a framework across all EU countries, based on a forward-looking definition of AI and a risk-based approach:

- **Minimal risk:** most AI systems such as spam filters and AI-enabled video games face no obligation under the Act, but companies can voluntarily adopt additional codes of conduct;
- **Specific transparency risk:** systems like chatbots must clearly inform users that they are interacting with a machine, while certain AI-generated content must be labeled as such;
- **High risk:** high-risk AI systems such as AI-based medical software or AI systems used for recruitment must comply with strict requirements, including risk-mitigation systems, high-quality of data sets, clear user information, human oversight, etc.; and
- **Unacceptable risk:** for example, AI systems that allow "social scoring" by governments or companies are considered a clear threat to people's fundamental rights and are therefore banned.

Nevertheless, lawmakers still had to determine the accompanying codes of practice and the EU invited companies, researchers, and others to help in the drafting. The EU received almost 1,000 applications, with the largest tech companies encouraging a light-touch approach to the law's implementation. The code of practice would come into effect in late 2025 but would not be legally binding; rather, it would provide a compliance checklist to companies. The EU AI Act addresses a variety of AI issues, including data scraping practices that could potentially breach copyright. Companies would have to disclose "detailed summaries" of the data used to train models, potentially providing an avenue for legal recourse to creators whose work was used to train AI models. Some business leaders worried that the Act's requirements could render companies' trade secrets vulnerable and criticized the EU for prioritizing regulation over innovation (Martin Coulter. "[Tech Giants Push to Dilute Europe's AI Act](#)." *Reuters*. September 20, 2024).

A new tool from Swiss startup LatticeFlow AI and partners ETH Zurich and Bulgaria's INSAIT tested generative-AI models like those from OpenAI and Meta, among others, across dozens of categories and in line with the new EU AI Act, which comes into effect in stages over the next two years. While the results showed that models developed by OpenAI, Meta, Mistral, Alibaba, and Anthropic all received average scores of 0.75 or above (out of scores between 0 and 1), some models demonstrated shortcomings in key areas. Regarding discriminatory output, OpenAI's GPT-3.5 Turbo scored a relatively low 0.46, and Alibaba Cloud's Qwen1.5 72B Chat scored only 0.37. When tested for prompt hijacking, a type of cyberattack using malicious prompts, Meta's Llama 2 13B Chat model scored 0.42 and Mistral's 8x7B Instruct scored 0.38. The LatticeFlow LLM checker would be extended to include further measures as they were introduced, and LatticeFlow stated that it would be freely available for developers to test their models' compliance online. The European Commission said it welcomed the study and evaluation platform as a first step in translating the EU AI Act into technical requirements. Companies failing to comply with the EU AI Act could face fines of 35 million euros or \$38 million (Martin Coulter. "[Exclusive: EU AI Act Checker Reveals Big Tech's Compliance Pitfalls](#)." *Reuters*. October 16, 2024).

Other International Regulations

Meanwhile, both Israel and Japan quickly clarified their existing regulations pertaining to data, privacy, and copyright protections, both with language that enabled AI to train with copyrighted content. Responding more broadly, the United Arab Emirates has developed draft legislation, working groups on AI best practices, and sweeping proclamations regarding AI strategy. Still many other countries are opting for a wait-and-see approach, despite the array of warnings regarding the need for international cooperation on AI regulation and inspection, including a statement from OpenAI's CEO in May 2023 emphasizing the "existential risk" of AI technology (Mikhail Klimentov. "[From China to Brazil. Here's How AI Is Regulated Around the World](#)." *The Washington Post*. September 3, 2023).

For example, in Brazil, legislators have developed a 900-page draft of a bill that would require companies to conduct risk assessments before bringing a product to market, and it explicitly bans AI systems that deploy "subliminal" techniques or exploit users in ways that are harmful to their health or safety. It would also require a government database to publicize AI products determined to have "high risk" implementations and AI developers would be liable for damage caused by their AI systems. Similar to the EU AI Act, the Brazilian draft legislation categorizes different types of AI based on the risk they pose to society (Mikhail Klimentov. "[From China to Brazil. Here's How AI Is Regulated Around the World](#)." *The Washington Post*. September 3, 2023).

There have also been attempts to regulate AI within the UK. In March 2023, the UK government published an [AI policy paper](#) that outlined proposals for regulating the use of AI within the country, though it stated that it will refrain from regulating the British AI sector "in the short term" (Daria Mosolova. "[UK Will Refrain from Regulating AI 'In the Short Term'](#)." *Financial Times*. November 16, 2023). In the long-term, however, the UK government has signaled its [intent](#) to draft a central cross-economy AI risk register and update its AI regulation roadmap with indications of whether a government unit or independent body would be the most appropriate mechanism to deliver the central functions.

There is also potential regulatory momentum in China. In January 2024, the country issued draft guidelines for standardizing the AI industry, proposing the formation of more than 50 national and industry-wide standards by 2026 and stating its intention to participate in the formation of more than 20 international standards by the same time. China's industry ministry stated that the aim of 60% of the prospective standards should be serving "general key technologies and application development projects," and it has targeted more than 1,000 companies to adopt and advocate for the new standards (Josh Ye. "[China Issues Drafts Guidelines for Standardizing AI Industry](#)." *Reuters*. January 18, 2024). China has also created a draft bill regarding generative AI, with a translation indicating that developers would "bear responsibility" for outcry created by their AI. The draft bill would also hold developers liable if their use of training data infringed on someone else's intellectual property, and it also states that the design of AI services must lead to the generation of only "true and accurate" content (Mikhail Klimentov. "[From China to Brazil. Here's How AI Is Regulated Around the World](#)." *The Washington Post*. September 3, 2023).

There have also been multilateral attempts at regulating AI technologies. In May 2023, the U.S.-EU Trade and Technology Council stated in May 2023 their intention to develop a voluntary AI Code of Conduct as concerns grow about the risks AI poses to humanity ("[US, Europe Working on Voluntary AI Code of Conduct As Calls Grow For Regulation](#)." *AP News*.

May 31, 2023). In late October 2023, leaders of the Group of Seven ("G7") economies (made up of Canada, France, Germany, Italy, Japan, Britain, the U.S., and the EU), agreed to the voluntary [code of conduct](#). The code includes 11 points and aims "to promote safe, secure, and trustworthy AI worldwide and provides voluntary guidance for actions by organizations developing the most advanced AI systems, including the most advanced foundation models and generative AI systems". The code urges companies to take appropriate measures to identify, evaluate, and mitigate risks throughout the AI life-cycle and to address incidents and patterns of misuse after AI products have been released on the market (Foo Yun Chee. " [Exclusive: G7 to Agree AI Code of Conduct For Companies](#)." *Reuters*. October 29, 2023).

CONCERNS REGARDING PRIVACY AND DATA USAGE

In recent years, a number of concerns have been raised regarding privacy and the data used to train AI models. For example, Apple has faced controversy as a result of creative content being used in generative AI systems. Specifically, in late 2023, Apple opened negotiations with major news and publishing organizations, seeking permission to use their material in Apple's development of generative AI systems. The news organizations contacted by Apple include Conde Nast, NBC News, and IAC, which owns *People* and *Better Homes and Gardens*, as part of efforts to secure multiyear deals worth at least \$50 million. However, several publishing executives were concerned that Apple's terms were too expansive and that the firm was vague about how it intended to apply generative AI to the news industry, posing a potential competitive risk given Apple's significant audience for news on its devices (Benjamin Mullin, Tripp Mickle. " [Apple Explores A.I. Deals With News Publishers](#)." *The New York Times*. December 22, 2023).

Additionally, questions regarding training AI with copyrighted material without transparency, consent, and compensation for rights holders are relevant to the firm's interactions with audiobook distributor Findaway Voices, which was acquired by Spotify in June 2022. Narrators and authors were informed in early February 2023- the month after Apple began releasing audiobooks using synthetic voice technology- that their contracts with Findaway gave Apple the right to use audiobook files for machine learning training and models. Some of those affected said they were not clearly informed about the contractual clause. The firm eventually agreed to halt accessing the Findaway files, but only those of SAG-AFTRA members, and the union said they were still discussing concerns regarding the safe storage of the recordings and data, usage limitations, and appropriate compensation. Authors suggested that Findaway frequently prompted people to agree to updated contracts, such that, even though the machine learning clause allowed rights holders to opt out, many suspected they signed off on the clause without realizing it (Shubham Agarwal. " [Audiobook Narrators Fear Apple Used Their Voices to Train AI](#)." *WIRED*. February 14, 2023).

An investigation by *WIRED* found that several major tech companies, including Apple, Anthropic, Nvidia, and Salesforce, used video transcripts from educational and online learning channels on YouTube to train their AI models without permission. Some of the channels whose content was used included MIT, Harvard, and Khan Academy, but *The Wall Street Journal*, *NPR*, and the *BBC* also had their videos used to train AI. YouTube has rules against scraping content without permission, but a group called EleutherAI claimed to have created the dataset as part of a compilation that the nonprofit released called the Pile. While academics and developers made use of the dataset, which was openly accessible online and included material from not just YouTube but also the European Parliament and English Wikipedia, large technology companies themselves detailed in their research papers and posts how they used the Pile to train AI (Annie Gilbertson, Alex Reisner. " [Apple, Nvidia, Anthropic Used Thousands of Swiped YouTube Videos to Train AI](#)." *WIRED*. July 16, 2024).

Siri Eavesdropping Lawsuit

Apple settled a proposed class action lawsuit in early 2025 involving claims that its voice-activated Siri assistant was violating users' privacy by recording private conversations when unintentionally activated and then disclosing those recordings to third parties, such as advertisers. Plaintiffs from a class period from September 17, 2014, to December 31, 2024, detailed receiving ads for places or products that they had mentioned in conversations, with one example involving a user receiving ads for a surgical treatment that he had discussed privately with his doctor. Class members, estimated in the tens of millions, could receive up to \$20 per Siri-enabled device. Though it denied wrongdoing, Apple settled the proposed class action lawsuit for \$95 million (Jonathan Stempel. " [Apple to Pay \\$95 million to Settle Siri Privacy Lawsuit](#)." *Reuters*. January 2, 2025). If the allegations against the firm are true, it may have violated federal wiretapping laws and other statutes designed to protect people's privacy (" [Apple's Siri Snooping Settlement Could Mean Money for Consumers. Here's What to Know](#)." *CBS News*. January 3, 2025). The settlement must still be approved by a judge, and lawyers have proposed a February 14, 2025, court date to review the terms of the settlement (Michael Liedtke. " [Apple to Pay \\$95 Million to Settle Lawsuit Accusing Siri of Eavesdropping](#)." *AP News*. January 2, 2025). Lawyers have asserted that Apple's behavior was so egregious that it could have been liable for \$1.5 billion in damages if it lost the case (" [Apple's Siri Snooping Settlement Could Mean Money for Consumers. Here's What to Know](#)." *CBS News*. January 3, 2025).

In response, Apple released a [statement](#) that:

Apple has never used Siri data to build marketing profiles, never made it available for advertising, and never sold it

to anyone for any purpose. We are constantly developing technologies to make Siri even more private, and will continue to do so.

Apple also explained how it ensures privacy with Siri through on-device processing, minimized data collection, and privacy protections with Private Cloud Compute.

Meanwhile, a similar lawsuit on behalf of users of the Company's voice assistant is pending in a San Jose, California federal court (Jonathan Stempel. "[Apple to Pay \\$95 million to Settle Siri Privacy Lawsuit](#)." *Reuters*. January 2, 2025).

Privacy and Amazon's Use of Data and AI

Concerns have also been raised concerning privacy and Amazon's use of data and AI. In July 2021, Luxembourg's National Commission for Data Protection fined the firm \$886.6m for allegedly breaking EU's General Data Protection Regulation, although Amazon asserted that there had been no data breach and that the fine was "without merit" (Theo Leggett. "[Amazon Hit with \\$886M Fine for Alleged Data Law Breach](#)." *BBC*. July 30, 2021). Earlier that year, three whistleblowers who were former high-level information security employees at the firm (one from Europe and two from the U.S.) reported that the firm's efforts to protect user data were inadequate and exposed user data to potential breaches, theft, and exploitation. The former employees suggested that the firm prioritized growth over security and compliance, claiming that Amazon had little understanding of the data that it had, including where it was stored and who could access it. Additionally, all three whistleblowers claimed that they were "sidelined, dismissed or pushed out" of Amazon after attempting to alert senior leadership about the privacy and compliance failures (Vincent Manancourt. "' [Millions of People's Data Is at Risk](#).' -- Amazon Insiders Sound Alarm over Security." *Politico*. February 24, 2021).

In April 2022, a [report](#) from four universities (University of Washington, UC Davis, UC Irvine, and Northeastern University) found evidence that Amazon and third parties (including advertising and tracking services) were collecting data from interactions with Alexa through Echo smart speakers to direct targeted ads on the internet and on the firm's platforms. More specifically, data was shared with 41 advertising partners who would then use it to infer interests and target ads. The researchers also found that this type of data led to "30X higher ad bids from advertisers." In addition, the ten research scientists behind the report created an auditing framework to measure online advertising data collection, and concluded that there was "strong evidence that smart-speaker interactions are used for the purpose of targeting ads, and that this ad targeting implies significant data sharing across multiple parties." However, they clarified that the shared data was from processed transcripts and not from raw audio (Jennifer Pattison Tuohy. "[Researchers Find Amazon Uses Alexa Voice Data to Target You with Ads](#)." *The Verge*. April 28, 2022).

In addition, shortly after releasing its AI chatbot, Q, employees using the chatbot revealed that it could be susceptible to revealing confidential information, including the location of AWS data centers or unreleased features. The employees also warned that Q was "experiencing severe hallucinations" and generating inaccuracies such as bad legal advice. However, Amazon responded that it had not identified any security issues with the chatbot, and denied that Q had leaked confidential information (Lakshmi Varanasi. "[Amazon's AI Chatbot, Q, Might Be in the Throes of a Mental Health Crisis](#)." *Business Insider*. December 3, 2023).

More recently, Amazon announced in March 2025 that it would be ending its privacy feature that lets users of its Echo smart speaker prevent their voice commands from being sent to the firm's cloud. Amazon stated that it made the decision to "no longer support this feature" because it expands Alexa's capabilities with generative AI features that rely on cloud processing. The feature was only available on three devices, including the 4th generation Echo Dot, the Echo Show 10, and the Echo Show 15, and only if customers were in the U.S. with the language set to English, such that the firm said less than 0.03% of its customers used it. However, it clarified that people still had the option to prevent Alexa from saving voice recordings, and that those who had previously opted to use the "Do Not Send" feature would, as of March 28, be automatically opted into the "Don't save recordings" option. It also reiterated that the "Alexa experience is designed to protect [its] customers' privacy and keep their data secure, and that's not changing." The firm also stated that it was focusing on the privacy tools and controls that its customers use most and work well with generative AI experiences that rely on the processing power of Amazon's secure cloud (The Associated Press. "[Amazon Ends Little-Used Privacy Feature that Let Echo Users Opt Out of Sending Recordings to Company](#)." *AP News*. March 19, 2025).

Privacy and Meta's Use of Data and AI

Concerns have also been raised with respect to privacy and the firm's use of data and AI. For example, Meta's roll-out of Meta AI in Europe faced regulatory delays due to concerns over data protection and privacy. While the firm introduced Meta AI in the U.S. in 2023, it faced several challenges in the EU because of stringent privacy and transparency rules. It had planned to launch its AI models in Europe in June 2024, but had to pause the release after Ireland's Data Protection Commission told the firm to delay its plan to harvest data from social media posts. It also faced backlash from an advocacy group which urged national privacy regulators to stop such use of social media content. As a result, Meta was not able to launch its AI models in Europe until March 2025. In April 2025, the firm stated that people in the EU who use its platforms, including Instagram and Facebook would begin to receive notifications explaining what type of data Meta will

harvest. In addition, users would receive a link to a form where they can object to their data being used for training purposes (Deborah Sophia. " [Meta to Use Public Posts, AI Interactions to Train Models in EU.](#)" *Reuters*. April 14, 2025).

In response to Meta's roll-out of AI in Europe, the Dutch privacy regulator Autoriteit Persoonsgegevens ("AP") stated that it was "very concerned" about the plans of the firm and other large platforms to train their tools with user data. If European users did not object before May 27, 2025, the firm would automatically use their public data to train Meta AI. As a result, the AP warned Facebook and Instagram users that they should object if they do not want their public data used to train Meta AI. The Dutch authority also added that it was not certain whether Meta would be permitted to do what it planned to do and that it was questionable whether its opt-out model meets the legal requirements. Further, the AP noted that other European supervisors were also in close consultation with the Irish supervisor about this issue. In addition, similar warnings were issued by the data protection regulator of the German state of Hamburg and the Belgian privacy authority (Cynthia Kroet. " [Dutch Privacy Regulator Latest to Warn Against Use of Meta AI.](#)" *Euronews*. April 25, 2025).

While Europeans were able to opt out of the firm's mass-scraping of public photos and posts for AI training purposes, Australians were not given an opt-out option. In September 2024, an Australian parliamentary committee heard testimony from Meta executives on why such an opt-out had not been extended to Australian users. The firm's executives responded that the data was only taken from public posts, not just private to people users have friended, and only from people over 18. However, Meta added that the European opt-out was established "in response to a very specific legal frame" and couldn't say whether such an option would be offered in Australia in the future. It also stated that even if a user set their account to private, it could still scrape any public posts from their account prior to when the user had set the account to private. (Josh Taylor. " [Meta's AI Is Scraping Users' Photos and Posts. Europeans Can Opt Out, But Australians Cannot.](#)" *The Guardian*. September 10, 2024).

Further, in July 2024, the Brazilian National Data Protection Authority ("ANPD") suspended Meta's new privacy policy for the use of personal data for generative AI training. The ANPD also put on hold the processing of personal data across all Meta products, including those of people who are not users of its platforms. Further, the regulator set a daily fine equal to \$8,836.58 in case of non-compliance, citing an "imminent risk of serious and irreparable or difficult-to-repair damage to the fundamental rights of affected holders." It also expected the firm to update its privacy policy and submit an official statement confirming that it had suspended its processing of personal data for AI training (Paula Arend Laier. " [Brazil Authority Suspends Meta's AI Privacy Policy. Seeks Adjustment.](#)" *Reuters*. July 2, 2024). Several months later, the ANPD overturned its decision after Meta agreed to the aforementioned requests. Meta then announced that its users in Brazil would receive warnings by email as well as notifications on Facebook and Instagram about its intention to use their personal data for AI training and that they would be able to reject the use of their data for those purposes (Paula Arend Laier, Andre Romani. " [Meta to Inform Brazilians How It Uses Their Personal Data to Train AI.](#)" *Reuters*. September 3, 2024).

More recently, the firm emailed owners of its Ray-Ban Meta smart glasses in April 2025 to inform them of two key changes to the privacy policy associated with its product. First, Meta stated that the Meta AI with camera use would always be enabled on the glasses unless users turned off the hands-free voice command functionality. However, a spokesperson for the firm clarified that photos and videos captured on the glasses would not be used for training unless users shared those images with Meta AI, cloud services, or a third-party product, in which case the policies of that product would apply. Additionally, the firm explained that it would no longer allow the owners of its smart glasses to opt out of having their voice recordings stored in the cloud, though they could still delete their recordings anytime in settings. Further, its voice privacy notice clarifies that voice transcripts and stored audio recordings "are otherwise stored for up to one year to help improve Meta's products." Meta also specified that if it detects that a voice interaction occurred accidentally, it will delete those recordings after a shorter 90-day window (Chris Welch. " [Meta Tightens Privacy Policy Around Ray-Ban Glasses to Boost AI Training.](#)" *The Verge*. April 30, 2025).

Privacy and the Company's Use of Data and AI

Users filed a \$5 billion proposed class action lawsuit against the Company in 2020, claiming that it continued to track their internet use despite users selecting "private" or "Incognito" mode. The suit claimed that the Company gathered data even on the "most intimate and potentially embarrassing things" through Google Analytics, Google Ad Manager, and other applications and website plug-ins, also including smartphone apps. The complaint stated that the proposed class action likely includes millions of users who had used the Company's "private" search mode since June 1, 2016, and that it was seeking at least \$5,000 in damages per user for violations of federal wiretapping and California privacy laws. However, the Company responded that "[a]s we clearly state each time [a user] opens a new incognito tab, websites might be able to collect information about [their] browsing activity" (Jonathan Stempel. " [Google Faces \\$5 Billion Lawsuit in U.S. for Tracking 'Private' Internet Use.](#)" *Reuters*. June 3, 2020).

In December 2023, the Company subsequently reached a settlement agreement with plaintiffs, which included deleting millions of records of users' browsing activity. Additionally, it made several changes to its disclosures to clarify how people's data would be collected and what would be visible in "Incognito" mode. The settlement also provided "substantial

relief" to plaintiffs and was described by the plaintiffs' lawyers as "groundbreaking" in requiring large technology companies to be transparent about how they collect and use their data (Davey Alba. ["Google Agrees to Delete Users' Incognito Browsing Data in Lawsuit Settlement."](#) *Time*. April 1, 2024).

Meanwhile, four years into separate litigation, a U.S. District judge ruled that the Company could not compel arbitration of claims related to inappropriate spying on users through its Google Assistant technology. The plaintiffs claimed that the Company's Assistant sometimes sent recordings of probate conversations to the Company without proper activation, violating federal and state privacy laws, including the Wiretap Act. However, the judge stated that the case would require the plaintiffs to prove both that the Company had intentionally recorded them and that it had distributed the collected information to a third party. The judge also ruled that the plaintiffs had established a waiver of arbitration because the Company had spent nine months litigating the case without any indication that it would seek to compel arbitration (Natalie Hanson. ["Google Can't Get Out of Lawsuit Accusing It of Snooping on Customers."](#) *Courthouse News Service*. January 23, 2024).

However, in February 2025, the U.S. District Court for the Northern District of California denied the Company's request to invalidate the mass opt-out of 69,000 individuals from the class action suit regarding its Google Assistant. While the court originally certified the class in December 2023 for individuals who had purchased Google Assistant-enabled devices between May 18, 2016, and December 16, 2022, more than 69,500 individuals requested to opt out of the class to pursue individual arbitration through a law firm. The Company had argued against the mass opt-out claiming that it "failed to comply with procedural standards and deprived individuals of making fully informed, independent decisions" (Frederick A. Acomb, James L Woolard. ["Court Upholds Mass Class Action Opt-Out Permitting Individual Arbitrations."](#) *The National Law Review*. March 14, 2025).

That same month, another federal judge in California ruled that the Company must face claims that it illegally eavesdropped on customer service phone calls with its AI tool. According to the complaint, the Company's Google Cloud Contact Center AI violated the California Invasion of Privacy Act, which prohibits the unauthorized recording and interception of phone conversations. The class of consumers alleges in their lawsuit that the Company does not disclose the fact that Google's AI transcription and analysis are not disclosed to callers. The product is currently in use by companies like Verizon, GoDaddy, Hulu, and Home Depot, among others, and it offers companies an AI-powered virtual assistant that supports human customer support agents with several tasks by transcribing calls in real-time. In response, the Company filed a motion to dismiss the case, but the judge denied the motion, stating that it is possible that the Company violated California's wiretapping law. More specifically, the judge stated that plaintiffs had adequately alleged that the Company has the capability to use the wiretapped data it collects to improve its AI and machine learning models (Matt Simons. ["Google Must Face Claims of AI-Powered Wiretapping, California Judge Rules."](#) *Courthouse News Service*. February 10, 2024).

Further, a group of visual artists, including a photographer and several cartoonists, sued Google in the U.S. District Court for the Northern District of California in April 2024, claiming that Google had trained its Imagen AI image generator using "billions" of copyrighted images without permission. The group proposed the case as a class action suit seeking unspecified damages and an order for Google to destroy its copies of the plaintiffs' work. Some of the plaintiffs were already involved in a similar lawsuit against Stability AI, Midjourney, and others. Google responded that its AI models were primarily trained on publicly available information online and that it would refute the suit's claims in court (Blake Brittain. ["Google Sued by US Artists over AI Image Generator."](#) *Reuters*. April 29, 2024). In January 2025, Google requested that the judge dismiss the consolidated proposed class action (Lauren Berg. ["Google Presses for Dismissal of Artists' AI Copyright Lawsuit."](#) *Law 360*. January 22, 2025). Thereafter, the judge struck the proposed class action definition, stating that the plaintiffs had proposed an improper "fail-safe" class but added that they could try again with an amended definition (Lauren Berg. ["Google Gets 'Fail-Safe' AI Copyright Class Axed. For Now."](#) *Law 360*. April 21, 2025). Days later, the judge indicated that she would likely allow some of the artists' direct infringement claims to continue, but would dismiss others along with infringement allegations against the Company. However, she didn't finalize the ruling during the hearing on April 23, 2025 (Annelise Levy. ["Google Appears Close to Narrowing Artists' AI Training Suit \(1\)."](#) *Bloomberg Law*. April 31, 2025).

The following month, the Company was ordered to pay \$1.4 billion to the state of Texas to settle claims that the Company collected users' data without permission. The agreement settles multiple claims that Texas made against the Google in 2022 related to geolocation, incognito searches and biometric data. According to the state's attorney general, Google was "unlawfully tracking and collecting users' private data" (The Associated Press. ["Google Will Pay Texas \\$1.4B to Settle Claims over User Data Collection."](#) *NPR*. May 9, 2025).

COMPANY DISCLOSURE AND PEER COMPARISON

Company Disclosure

In response to this proposal, the Company states:

Google operates an authoritative, comprehensive, and auditable system of record for all of our AI assets, including our models, our applications, and the workflows that produce them. This system is foundational to our commitment to AI safety and governance. We annotate all AI assets with detailed tracking of data origins and usage (auditable lineage). This detailed tracking is designed to meet our internal compliance standards and to address emerging legislation, such as the European Union's AI Act, ensuring transparency and accountability in our AI development processes.

It further states that it is committed to complying with all applicable privacy laws and regulations, such as the EU's GDPR (2025 DEF 14A, p.86).

Regarding research and development, the Company states in its [Privacy Policy](#) that Google uses information to improve its services and to develop new products, features, and technologies that benefit its users and the public. For example, it uses publicly available information to help train Google's AI models and build products and features like Google Translate, Gemini Apps, and Cloud AI capabilities. It also notes that, when users are not signed into their Google Accounts, the Company stores the information it collects with unique identifiers tied to the browser, application, or device in use, which allows the Company to maintain users' preferences across browsing sessions. When users are signed in, the Company also collects information that it stores with the users' Google Accounts, which the Company treats as personal information.

Additionally, it [addresses](#) the information it collects, explaining that it collects unique identifiers, browser type and settings, device type and settings, operating system, mobile network information, and application version number. It also collects information about users' interactions with apps, browsers, and devices. It also affirms that it collects this information when a Google service on a user's device contacts its servers. Regarding user activity, the Company collects things like: (i) terms users search for; (ii) videos they watch; (iii) views and interactions with content and ads; (iv) voice and audio information; (v) purchase activity; (vi) people with whom users communicate or share content; (vii) activity on third-party sites and apps that use the Company's services; and (viii) Chrome browsing history users have synced with their Google Accounts. The Company also affirms that it may collect call and message log information if users use the Company's services to make and receive calls or to send and receive messages. Additionally, the Company collects location information when users use its services, which helps it offer features like driving directions, search results for things near users, and ads based on location.

Further, Google [AI Principles](#) include the Company's approach to AI which is focused on bold innovation, responsible development and deployment, and collaborative progress. Its principles related to responsible development and deployment include:

- a. Implementing appropriate human oversight, due diligence, and feedback mechanisms to align with user goals, social responsibility, and widely accepted principles of international law and human rights;
- b. Investing in industry-leading approaches to advance safety and security research and benchmarks, pioneering technical solutions to address risks, and sharing its learnings with the ecosystem;
- c. Employing rigorous design, testing, monitoring, and safeguards to mitigate unintended or harmful outcomes and avoid unfair bias; and
- d. Promoting privacy and security, and respecting intellectual property rights.

The Company emphasizes that it identifies and assesses [AI risks](#) through research, external expert input, and red teaming, after which it evaluates its systems against safety, privacy, and security benchmarks. It adds that it then builds mitigations with techniques such as tuning, security controls, and robust provenance solutions. It also provides its latest [Responsible AI Progress Report](#), which further discusses identifying and understanding risks, assessing risks and mitigations, and managing by mitigating risks. Regarding managing privacy, the Company discloses that it has invested deeply in mitigations for privacy risks, as well as researching new risks that might emerge from evolving capabilities like argentic (p.13). It also discusses aligning its AI approach with industry standards, including the NIST AI Risk Management Framework (p.17).

It provides a webpage on Google's [Secure AI Framework](#) ("SAIF"), which features six core elements:

- Expanding strong security foundations to the AI ecosystems;
- Extending detection and response to bring AI into an organization's threat universe;
- Automating defenses to keep pace with existing and new threats;
- Harmonizing platform level controls to ensure consistent security across the organization;
- Adapting controls to adjust mitigations and create faster feedback loops for AI; and
- Contextualizing AI system risks in surrounding business processes.

The Company also provides information regarding its new [SAIF.Google](#) resource hub to [help](#) security professionals navigate the evolving landscape of AI security. It also discusses its work to form a [Coalition for Secure AI](#) ("CoSAI"), [bringing](#) SAIF to governments and organizations, and provides links to additional AI resources. In addition, it provides a [blog post](#) examining its SAIF framework, a [blog post](#) about building guardrails for generative AI, and a blog post on its

[approach to the Gemini app](#). The Company also emphasizes that it publishes hundreds of research papers each year like the recent paper on the [Ethics of Advanced AI Assistants](#).

The Company discloses that it has put strong [indemnification protections](#) on both training data [used](#) for generative AI models and the generated output for users of key Google Workspace and Google Cloud services. It clarifies that if customers are challenged on copyright grounds, the Company will assume responsibility for the potential legal risks involved. It also discusses protecting against unfair bias; red-teaming to help identify current and emergent risks, behaviors, and policy violations, enabling its teams to mitigate them; implementing generative AI [prohibited use](#) policies, and safeguarding teens. It states that it will not:

- Engage in dangerous or illegal activities, or otherwise violate applicable law or regulations;
- Compromise the security of others' or the Company's services;
- Engage in sexually explicit, violent, hateful, or harmful activities; or
- Engage in misinformation, misrepresentation, or misleading activities.

However, it [notes](#) that it may make exceptions to these policies based on educational, documentary, scientific, or artistic considerations, or where harms are outweighed by substantial benefits to the public.

Regarding protecting consumers' information, the Company [states](#) that many of the privacy protections it has had in place for years apply to its generative AI tools too and, just like other types of activity data in a Google Account, the Company makes it easy to pause, save, or delete it at any time, including for Bard or Search. It further adds that if a consumer chooses to use the Workspace extensions in Bard, the user's content from Gmail, Docs, and Drive is not seen by human reviewers, used by Bard to show the consumer ads, or used to train the Bard model.

The Company provides a [Transparency Report](#), maintains an [AI blog](#), and discusses its [views on AI policy](#). Further, the Company [discusses](#) fulfilling its voluntary industry commitments on AI, making AI safer with Google's [AI Red Team](#). Google Cloud also [examines](#) responsible AI, with information on its approach, ethics by design, and the latest updates in responsible AI. The Company also features a [machine learning](#) website for developers, [offers](#) an introduction to responsible AI, and [provides](#) information regarding how its new AI tools can help get users outside.

Peer Comparison

To compare, **Amazon.com, Inc.** (NASDAQ: AMZN) states in its response to a similar proposal submitted at its 2025 AGM that:

When it comes to training AI models, we adhere to industry best practices around data collection and design our products with the goal of respecting privacy rights and the rights of artists and content creators. We evaluate our needs for different types of training data and, when appropriate, enter into agreements for data and services to meet those needs. Additionally, our AI models and services go through rigorous security testing designed specifically for generative AI applications to verify they meet safeguards to protect data.

Additionally, the firm states that the responsible development and use of AI has been a focus of regulators worldwide and, in 2025, the EU AI Act will require all developers of general-purpose AI models to publish reports on the data used for developing such models. It adds that this reporting will provide further transparency around the data used to develop and train AI models (2025 AMZN DEF 14A, p.59).

Amazon [discloses](#) information about how it protects customer privacy while making Alexa better, and explains that training Alexa with "customer data is incredibly important" because for Alexa to work well, the machine learning models that power Alexa need to be trained using a diverse, wide range of real-world customer data. It emphasizes that this is how the firm can ensure the service performs well for everyone, and under all kinds of acoustic conditions, at home or on the go. Additionally, it explains that training Alexa over time also helps Alexa accurately answer questions about events that happen once every several years, and quickly training Alexa with voice recordings also ensure accuracy on trending topics where there's less historical knowledge. It further notes that continuously training its machine learning models with customer data is the reason Alexa's understanding of customer requests has improved by an average of 37% over the past three years, across all languages.

It also [provides](#) programs to protect privacy and use data responsibly that don't require any action from the customer. In addition, when Amazon collects and uses customer data, it asserts that it keeps it secure and uses it responsibly. For example, the firm uses privacy-preserving methods to limit the amount and type of data that it uses in its natural language understanding modeling environment when training its machine learning models. In addition, it continues to invest in anonymization and synthetic data generation techniques to further protect customer privacy.

Additionally, Amazon [discusses](#) data minimization, such as moving more data processing directly onto users' devices, looking for ways to de-identify data sooner, and building and refining privacy-preserving machine learning models. The firm explains that it is also actively leveraging large, pre-trained models built from open-source data for few-shot and

zero-shot learning to reduce the need for customer data to develop deep learning models for conversational AI and related language understanding applications. It also states that it is developing algorithms that de-identify the data used in model training and enable Amazon's models to be robust against privacy attacks.

Regarding data that is collected by third parties and data stored outside Amazon's cloud, such as data stored on users' Echo or mobile devices, the firm [states](#) that such data may not be deleted. Additionally, users' deletion requests may not delete copies of data that have been de-identified and are no longer linked to a user or their account. It adds that if it has used a user's data to improve its services, it may continue to retain or use the systems trained on the user's data after the user's data has been deleted from the firm's data stores.

Further, the firm also [lists](#) the core dimensions of its responsible AI, which include privacy and security, and appropriately obtaining, using, and protecting data and models. It also discloses additional information regarding [Alexa, Echo Devices, and user privacy](#) on its website, and its Amazon Bedrock Guardrails also [address](#) safety, privacy, and truthfulness guardrails.

AWS also provides a [privacy notice](#), which discusses the types of information it collects and [presents](#) information on how it shares personal information. AWS also affirms that it participates in the EU-US Data Privacy Framework, UK Extension, and Swiss-US Data Privacy Framework, and it provides additional information for certain jurisdictions, as well as examples of information collected. Similarly, Amazon provides a [privacy notice](#), stating that it is not in the business of selling its customers' personal information to others. In addition, the firm maintains a privacy [webpage](#) and provides additional information about [protecting](#) user privacy, and additional [state-specific privacy disclosures](#).

To further compare, **Meta Platforms, Inc.** (NASDAQ: META) [announced](#) in March 2025 that it would begin to roll out Meta AI across 41 European countries, including those in the EU and 21 overseas territories, starting in mid-March. It explained that the firm would begin with intelligent chat functions in six European languages, as the first step in its ongoing efforts to bring more intuitive AI to people in Europe. The following month, it [introduced](#) a new Meta AI app with Llama 4, which is designed around voice conversations with Meta AI inside a standalone app. The underlying model allows for more personal and relevant responses with a conversational tone. The app also integrates with other Meta AI features like image generation and editing. Moreover, the assistant gets to know a user's preferences, remembers context, is personalized for each user, and is also the companion app for the firm's AI glasses and is connected to meta.ai.

It [discusses](#) safeguards and resources for Meta AI, and [addresses](#) Meta AI in its Privacy Center, including how generative AI models work, and the information used for AI at the firm. It explains that it uses information from: (i) users' public content (with manageable features); (ii) users' interactions with AI features (with options to see the details AI characters have saved about a user, as well as chat histories from a user's chats with AI, and information for resetting or correcting AI); and (iii) other types of information, with details on how Meta works with select partners to improve AI responses (it does not send personally identifying information) and [rights](#) related to how users' information is used.

The firm [explains](#) where it gets training information and clarifies that it does not use the content of private messages with friends and family to train its AIs unless a user or someone in the chat chooses to share those messages with its AIs. It also states that it does not specifically link personal information collected publicly from the internet to any Meta account. It then discusses privacy and generative AI, and asserts that it has a robust internal privacy review process that helps ensure the firm is using data at Meta responsibly for its products, including generative AI. It also discloses its [Privacy Policy](#).

It also [states](#) that a significant amount of information is needed to effectively train models, so it draws from publicly available and licensed sources, as well as information people have shared on its products, including interactions with AI. The firm acknowledges that it keeps training data for as long as it needs it on a case-by-case basis to ensure an AI model is operating appropriately, safely, and efficiently. It affirms that it may keep training data to protect Meta's or others' interests, or comply with legal obligations. However, the firm emphasizes that it is committed to being transparent about the legal bases that it uses for processing information, as it believes use of this information is in the legitimate interests of Meta, its users, and other people. For example, in the European Region and the UK, the firm relies on the basis of legitimate interests to collect and process any personal information included in publicly available and licensed sources to develop and improve AI at the firm. In other jurisdictions where applicable, it relies on an adequate legal basis to collect and process this data.

However, it specifies that it uses the following [types of information](#):

- Public information, meaning publicly available sources on the internet like public blog posts or databases;
- Information from partners, including information that comes from selected partners, like search engines; and
- Licensed information, meaning content that someone else, like an author or publisher, holds the rights to and gives the firm permission to use.

Regarding [privacy and generative AI](#), Meta explains that it has a responsibility to protect people's privacy and has teams

dedicated to this work for everything it builds. It further states that it has a robust internal privacy review process that helps ensure it is using data at the firm responsibly for its products, including generative AI. It adds that it works to identify potential privacy risks that involve the collection, use, or sharing of personal information and develops ways to reduce those risks to people's privacy. To do this work ethically and responsibly, Meta has 5 foundational values at the core of how it thinks about AI:

- Privacy and security;
- Fairness and inclusion;
- Robustness and safety;
- Transparency and control; and
- Governance and accountability

The firm maintains a [Privacy Center](#), which provides information on privacy checkups, private messaging, including generative AI. It also discusses [data and privacy](#) on its website, including its \$8 billion [investment](#) in privacy, and provides a recent [Privacy Policy Update](#), which applies to its [Meta Platforms Technologies Products](#).

Additionally, Meta provides its latest [Privacy Progress Update](#), which discusses: (i) how it offers privacy protections on its platforms; (ii) its technical privacy investments; (iii) privacy product outcomes; and (iv) its ongoing commitment to privacy. The firm affirms that it minimizes data collection and use by continuing to invest in privacy-enhancing technologies, and that, in 2024, it partnered with various experts via advisory groups and consulted with those groups on the privacy needs of six regions around the world. It also discusses its efforts to detect, investigate, and block patterns of behavior associated with anti-scraping, which is the automated collection of data from a website or app and can be either authorized or unauthorized.

Finally, it discusses its internal privacy [expectations](#) that guide its privacy review process, which include:

- Purpose limitation: processing data only for a limited, clearly stated purpose that provides value to people;
- Data minimization: collecting and creating the minimum amount of data required to support clearly stated purposes;
- Data retention: keeping data for only as long as it is actually required to support clearly stated purposes;
- External data misuse: protecting data from abuse, accidental loss and access by unauthorized third parties;
- Transparency and control: communicating product behavior and data practices proactively, clearly and honestly, and whenever possible and appropriate, giving people control over Meta's practices;
- Data access and management: providing people with the ability to access and manage the data that the firm has collected or created about them;
- Fairness: building products that identify and mitigate risk for vulnerable populations, and ensuring that value is created for people; and
- Accountability: maintaining internal processes and technical controls across its decisions, products, and practices.

Regarding oversight of these issues, the [audit and risk oversight committee](#) reviews with management, at least annually, (a) the firm's program for promoting and monitoring compliance with applicable legal and regulatory requirements, and (b) Meta's major legal and regulatory compliance risk exposures and the steps management has taken to monitor or mitigate such exposures. Further, the committee periodically reviews with the firm's management the status of its ESG program and strategy, and it reviews with management, at least annually, Meta's major ESG risk exposures and the steps management has taken to monitor or mitigate such exposures. The [privacy and product compliance committee](#) has the principal responsibility to assist the board with respect to privacy and data use matters. Such responsibilities include overseeing compliance with the comprehensive privacy program (the "Privacy Program") adopted by Meta in compliance with the FTC Order; the selection of an independent, third-party assessor to be selected by the firm to review its privacy practices; the Assessor's biennial assessments of the Privacy Program; compliance with the EU's Digital Markets Act; and compliance with the General Data Protection Regulation and other applicable privacy and data use laws.

Summary

Peer Comparison

Overall, we find the Company and its peers to all provide relatively commensurate disclosure concerning their usage of external data in the development and training of their AI offerings, and their measures to mitigate associated risks.

Analyst Note

In its response to this proposal, the Company affirms that it is committed to complying with all applicable privacy laws and regulations and that it annotates all AI assets with detailed tracking of data origins and usage (auditable lineage) which is designed to meet the EU's AI Act. It also maintains a Privacy Policy explaining what data the Company collects, why it collects it, and provides users with the ability to control their data privacy. However, privacy and security concerns have recently been raised by regulators and the Company continues to face risks associated with its AI data sourcing.

RECOMMENDATION

The Company's investment in and use of AI technologies present a significant growth opportunity for the Company. However, alongside this opportunity also come significant risks. The Company faces a variety of legal, regulatory and reputational risks on account of this issue, some of which stem from the usage of external data in the development and training of its AI offerings, the topic of this resolution.

We acknowledge that the Company provides some information concerning this issue. While recognizing these disclosures, we also note that this is a fast-moving issue, and the Company has been quickly developing its capabilities in this area of its business. As such, we believe that additional disclosure on the specific issues raised by this proposal could allow shareholders a better understanding of how it is ensuring it is mitigating risks associated with data sourcing. Further, such disclosure could provide customers additional assurance that their personal data is not being used in a manner that compromises their privacy and security. Moreover, Apple has recently settled a \$95 million class action lawsuit claiming its voice-activated Siri assistance violated users' privacy, and a similar lawsuit on behalf of users of the Company's Google voice assistant is pending in a San Jose, California federal court. In light of these issues, the requested report could serve as a means to encourage the Company to ensure that its future disclosures are robust and provide a solid context for shareholders to allow them to assess the potential risks to the Company from its use of external data in the development and training of its AI projects and implementation. Accordingly, we believe that shareholders should vote in favor of this proposal at this time.

We recommend that shareholders vote **FOR** this proposal.

Do not redistribute

12.00: SHAREHOLDER PROPOSAL REGARDING HUMAN RIGHTS IMPACT ASSESSMENT OF AI-DRIVEN TARGETED ADVERTISING

FOR

PROPOSAL REQUEST:	That the Company publish an independent third-party human rights impact assessment examining the human rights impacts of Google's targeted advertising	SHAREHOLDER PROPONENT:	Shareholder Association for Research & Education on behalf of the United Church of Canada Pension Plan, as lead filer, along with other co-filers
BINDING/ADVISORY:	Precatory	REQUIRED TO APPROVE:	Majority of votes cast
PRIOR YEAR VOTE RESULT (FOR):	18.6%		
RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:			
FOR -	An independent review of human rights considerations in advertising could benefit shareholders		

SASB MATERIALITY

PRIMARY SASB INDUSTRY: Internet Media & Services

FINANCIALLY MATERIAL TOPICS:

- Environmental Footprint of Hardware Infrastructure
- Data Security
- Intellectual Property Protection & Competitive Behavior
- Data Privacy, Advertising Standards & Freedom of Expression
- Employee Recruitment, Inclusion & Performance

GLASS LEWIS REASONING

- Although the Company has provided some disclosure and has taken some action with respect to the issues raised by the proponent, we believe that an independent review of how the Company was managing human rights considerations in its AI-driven targeted advertising would benefit shareholders.

PROPOSAL SUMMARY

Text of Resolution: *RESOLVED: Shareholders request the Board of Directors of Alphabet Inc. to publish an independent third-party Human Rights Impact Assessment (the "Assessment"), examining the actual and potential human rights impacts of Google's artificial intelligence-driven targeted advertising policies and practices. This Assessment should be conducted at a reasonable cost; omit proprietary and confidential information, as well as information relevant to litigation or enforcement actions; and be published on Alphabet's website by June 1, 2026.*

Proponent's Perspective

- The Company's advertising business, which heavily relies on artificial intelligence ("AI"), accounted for more than 75% of the Company's revenue in 2023;
- Algorithmic systems are deployed to deliver targeted advertisements, determining what users see and can result in and exacerbate systemic discrimination and human rights violations;
- The Company's current ad infrastructure is driven by third-party cookies, which enable entities to track users online by accumulating significant personal data, putting user privacy at risk;
- Despite the risks, the Company's measures to address privacy shortcomings and broader human rights concerns appear to be limited;
- Google's AI Principles commit to considering and assessing new AI projects, products and deals by integrating human rights due diligence as part of that process, but in Q2 alone, the Company announced over 30 new ad features and products to help advertisers leverage AI and keep pace with the evolving expectations of customers and users, but shareholders lack clarity on what human rights due diligence efforts were made to identify and address risks from these products;
- The Company's 2023 Ads Safety report does not provide shareholders with clarity on which platforms generated bad ads, what "inappropriate content" entails, and whether such ads could

Board's Perspective

- As disclosed on the Company's Human Rights website, under the umbrella of its Human Rights Program, the Company's senior management oversees the implementation of its civil rights and human rights work;
- The audit committee provides oversight of key risks, including those associated with human rights, data privacy and security, legal, regulatory, compliance, and reputational risks, as well as the steps the Company takes to prevent, detect, monitor, and actively manage such exposures;
- The Company's Human Rights Program advises product teams on potential civil and human rights impacts, conducts human rights due diligence, and engages external experts and stakeholders, and the program helps ensure that the Company is meeting its commitment to the United Nations Guiding Principles on Business and Human Rights, Global Network Initiative Principles, and other civil and human rights instruments;
- The Company's civil and human rights work is integrated into processes and procedures across the Company and informs its long-term strategies and day-to-day decision-making;
- Delivering a safe user experience is the Company's top priority in making decisions about the ads people see and the content that monetizes on its ads platforms;
- The Company implements strong privacy safeguards and data

generate or have generated harms, such as discrimination;

- The Digital Services Act requires companies like the Company to take measures to integrate human rights considerations into their handling of user data and algorithmic decision-making;
- The EU's Artificial Intelligence Act will regulate the development and use of AI;
- If the Company fails to implement effective human rights due diligence to manage harms stemming from its AI-driven targeted advertising technology, a central pillar of the Company's business, it may expose shareholders to significant regulatory, legal, financial, and reputational risk; and
- The Company has one of the largest footprints of any entity in the world, and a robust assessment is essential for the Company to mitigate risk and will provide shareholders with more clarity on its human rights due diligence efforts.

The proponent has filed an [exempt solicitation](#) urging support for this resolution.

minimization techniques, provides transparency about data practices, and offers controls that empower users to make informed choices and manage their information;

- The Company collaborates across the broader digital advertising ecosystem to address privacy, informed in part by its AI Principles and its work with leading privacy and competition authorities;
- The Company's Publisher Policies restrict publishers from monetizing content that incites hatred or promotes discrimination, harassment, or intimidation;
- The Company publishes an Ads Safety Report annually on its efforts to prevent improper use of its ads platforms;
- The Company pursues AI responsibly throughout the AI development and deployment lifecycle, implementing appropriate human oversight, due diligence, and feedback mechanisms to align with user goals, social responsibility, and widely accepted principles of international law and human rights;
- The Company has guardrails in place to help prevent its systems from engaging with inappropriate or sensitive prompts or suggesting policy-violating creative content, and to help reduce the likelihood of errors, the Company also gives advertisers the flexibility to add additional guardrails;
- All ads are subject to the Company's existing Ads policies, and the Company complies with various national laws governing the content of ads; and
- The Company has long-standing policies prohibiting personalization based on sensitive categories.

THE PROPONENT

SHARE

The Shareholder Association for Research and Education ("SHARE") is a Canadian not-for-profit organization.

It [states](#) that "through shareholder engagement, advisory services, and cutting edge research, SHARE mobilizes investor leadership for a sustainable, inclusive, and productive economy." SHARE is not an investor, and therefore, does not have any assets under management. It offers the following [services](#): (i) shareholder engagement, advisory services, proxy audits, and a membership option for investors. As a part of its shareholder engagement [services](#), it "facilitates constructive shareholder dialogues on pressing ESG issues" and "amplifies the voices of small and medium-sized investors."

Based on the disclosure provided by companies concerning the identity of proponents, during the first half of 2024, SHARE submitted three shareholder proposals to U.S. companies that received 22.7% support (excluding abstentions and broker non-votes), with none of its proposals receiving majority support.

GLASS LEWIS ANALYSIS

Glass Lewis recommends that shareholders take a close look at proposals such as this to determine whether the actions requested of the Company will clearly lead to the enhancement or protection of shareholder value. Glass Lewis believes that directors who are conscientiously exercising their fiduciary duties will typically have more and better information about the Company and its situation than shareholders. Those directors are also charged with making business decisions and overseeing management. Our default view, therefore, is that the board and management, absent a suspicion of illegal or unethical conduct, will make decisions that are in the best interests of shareholders.

We believe that it is prudent for firms to actively evaluate risks to shareholder value stemming from global activities and human rights practices along entire supply chains. This evaluation is particularly important for those companies with operations in sensitive regions prone to allegations of human rights abuses. As has been seen with other companies, allegations of human rights abuses can inflict, at a minimum, reputational damage on targeted companies and may dramatically affect shareholder value.

In this case, the Company is a collection of businesses, the largest of which is Google. The Company reports Google in two segments, Google Services and Google Cloud, and all other non-Google businesses collectively as Other Bets (2024 10-K, p.4). Google Services' core products and platforms include ads, Android, Chrome, devices, Gmail, Google Drive, Google Maps, Google Play, Search, and YouTube (p.6). The Company explains that Google Services generates revenues primarily from advertising; fees received for consumer subscription-based products such as YouTube TV, YouTube Music and Premium, and NFL Sunday Ticket, as well as Google One; the sale of apps and in-app purchases; and devices (p.87). It states that the Company continues to invest in both performance and brand advertising and seeks to improve the measurability of advertising so that advertisers understand the effectiveness of their campaigns (p.7).

Given the Company's preeminent role online, the Company has an especially important role in ensuring its users' human rights are protected throughout all aspects of its operations. As has been seen at the Company and elsewhere, a failure to appropriately manage these issues could lead to significant legal, reputational, regulatory, and operational risks.

REGULATIONS GOVERNING PLATFORM CONTENT AND ADVERTISING

For a number of years, regulators and legislators have attempted to govern what content online platforms display and advertise. For example, in 2021, a bipartisan group of U.S. Congressional representatives presented the Filter Bubble Transparency Act, which would require internet platforms to offer versions of their services not driven by personal data algorithms. The group planned to continue collaborating on tech and antitrust issues moving forward (Ashley Gold.

" [Exclusive: New Bipartisan Bill Takes Aim at Algorithms](#)." *Axios*. November 9, 2021).

More recently, the European Parliament and EU member states reached a deal on the Digital Services Act ("DSA"), a landmark piece of legislation that aims to address illegal and harmful content online by requiring platforms to remove it quickly. Under this new bill, tech companies will be required under the DSA to implement new procedures designed to remove illegal material such as hate speech, incitement to terrorism, and child sexual abuse. Additionally, the DSA includes measures compelling tech firms to be more transparent concerning how their algorithms recommend content, and to require large online platforms and search engines to take certain measures in the event of a crisis, such as Russia's invasion of Ukraine. The DSA will also limit how digital companies target users with online ads, effectively stopping them from targeting users with algorithms using data based on gender, race, or religion, and prohibiting targeting children with ads. The DSA will also prohibit deceptive tactics designed to push people toward specific products and services. Failure to comply with the law may result in fines of up to 6% of companies' global annual revenues, which for the Company, could result in a penalty as high as \$7 billion based on its 2021 sales figures. The DSA is now subject to formal EU approval, and is expected to take effect as early as 2024 (Ryan Browne. " [EU Agrees on Landmark Law Aimed At Forcing Big Tech Firms to Tackle Illegal Content](#)." *CNBC*. April 22, 2022).

Europe also passed its [Digital Markets Act](#), which was scheduled to come into force in November 2022 and whose aim was to apply new rules to the ten "core platform services," including the Company. Companies deemed gatekeepers, meaning those with an annual turnover of more than €7.5 billion in the EU or a market capitalization of €75 billion and serving more than 45 million monthly European end users and 10,000 yearly business customers for the previous three years, would be forced to comply with practices to ensure an open online environment that is fair for businesses and consumers. So if strictly enforced, some companies would have to install third-party apps and app stores and allow third parties to interoperate with their services. Gatekeepers would also be banned from prioritizing their own services by using data from their platform business to compete on their own platform. Experts explained that the legislation would not be enforceable in part until at least early May 2023, and not in full until mid-2024 (Harry Guinness. " [Europe's Big New Digital Markets Act Could Help Hold Tech Giants Accountable](#)." *Popular Science*. October 31, 2022).

A number of states have recently passed data privacy laws that could have an impact on tech companies' use of targeted advertising. For example, the [California Consumer Privacy Act of 2018](#) provides certain privacy rights for consumers, such as the right to know about the personal information a business collects about them and how it is used and shared, the right to delete personal information collected from them, and the right to opt-out of the sale of their personal information. Additionally, the [Virginia Consumer Data Protection Act](#) gives consumers the right to submit a request to access and correct inaccuracies within, and delete personal data that has been obtained about them, among other things. The act will go into effect in January 2023. Colorado recently passed a similar measure, while several other states, including New Jersey, New York, Washington, Minnesota, and Oklahoma, have or have had privacy bills under consideration.

Other countries also maintain data privacy regulations. For example, the General Data Protection Regulation ("GDPR"), adopted in 2016, aims to align data privacy laws across the European Union's member countries and to provide greater protection and rights for individuals. Additionally, the GDPR alters how businesses and organizations can handle the information of those who interact with them, potentially imposing large fines and reputational damage for those found in breach of the rules. Smaller offenses can result in fines of up to €10 million or 2% of a firm's global turnover, while the largest GDPR breaches can incur fines of up to €20 million or 4% of a firm's global turnover (Matt Burgess. " [What Is GDPR? The Summary Guide to GDPR Compliance in the UK](#)." *Wired*. March 24, 2020).

ADVERTISING CONTROVERSIES

U.S. Lawsuits

On October 20, 2020, the DOJ and a number of state Attorneys General filed a [lawsuit](#) alleging that the Company violated U.S. antitrust laws relating to search and search advertising. Separately, on December 16, 2020, a number of state Attorneys General filed an antitrust [complaint](#) against the Company in the U.S. District Court for the Eastern District of Texas. That lawsuit alleges that the Company violated U.S. antitrust laws as well as state deceptive trade laws relating to its advertising technology. On July 7, 2021, a number of state Attorneys General filed an antitrust [complaint](#) against us in the U.S. District Court for the Northern District of California, alleging that the Company's operation of Android and Google Play violated U.S. antitrust laws and state antitrust and consumer protection laws. The Company further states that the DOJ and state Attorneys General continue their investigations into certain aspects of the Company's business.

Further, the U.S. Department of Justice [sued](#) the Company for monopolizing digital advertising technologies, alleging that it monopolized key digital advertising technologies, collectively referred to as the "ad tech stack," that website publishers depend on to sell ads and that advertisers rely on to buy ads and reach potential customers. As alleged in the complaint, over the past 15 years, the Company had "engaged in a course of anticompetitive and exclusionary conduct that consisted of neutralizing or eliminating ad tech competitors through acquisitions; wielding its dominance across digital advertising markets to force more publishers and advertisers to use its products; and thwarting the ability to use competing products."

The trial over whether the Company illegally dominated online advertising technology held closing arguments in November 2024. Prosecutors argued that the Company monopolized markets for publisher ad servers and advertiser ad networks and attempted to dominate the market for ad exchanges between buyers and sellers. In response, the Company stated that the Department of Justice had not met its legal burden, was cherry-picking a narrow slice of the market, and was not accounting for aggressive competition. Further, the Company claimed that it had made legitimate business decisions and that the online advertising market was robust. However, publishers testified that they could not switch away from the Company even when they were not satisfied with Google's services because there was no way to access the same kind of advertising demand (Jody Godoy, David Shepardson. "[Google's US Antitrust Trial Over Online Ad Empire Draws to a Close](#)." *Reuters*. November 25, 2024).

In mid-April 2025, a judge for the U.S. District Court for the Eastern District of Virginia ruled that the Company acted illegally to maintain a monopoly on some online advertising technology. More specifically, the court found that the Company had a monopoly over two parts of the online advertising market: (i) the tools used by online publishers to host open ad space; and (ii) the software facilitating those transactions. The judge dismissed a third part which alleged the Company had a monopoly over the tools advertisers use to buy that ad space, stating that the prosecutors had failed to prove it constituted a real and defined market (David McCabe. "[Google Broke the Law to Keep Its Advertising Monopoly, a Judge Rules](#)." *The New York Times*. April 17, 2025).

International Investigations

In early 2022, the Company was fined \$169 million by France's data privacy regulator ("CNIL") for making it difficult for internet users to refuse online trackers known as cookies. Similarly, Meta Platforms' Facebook was fined 60 million euros for the same reason (Mathieu Rosemain. "[Google Hit with 150 Mln Euro French Fine for Cookie Breaches](#)." *Reuters*. January 6, 2022).

Following complaints from advertisers, the Company announced in July 2024 that it would not pursue longstanding plans to remove cookies, small packets of code that track users across the internet, from Chrome. Advertisers had complained that the removal would limit their ability to personalize ads. However, the Company stated that it would give users the choice to allow cookies to track them when browsing in Chrome. Following the Company's reversal on cookies, Britain's Competition and Markets Authority ("CMA") responded that it still harbored competition concerns under the Company's revised approach, and that it would consider what further action might be necessary. The Company stated that it would "continue to consult with the CMA, ICO and other regulators globally" and it "looked forward to ongoing collaboration with the ecosystem to build for a private, ad-supported internet" (Martin Coulter. "[UK Watchdog Says 'Concerns Remain' Over Google's Ad-Privacy Plan](#)." *Reuters*. September 24, 2024).

In September 2024, the Company offered to sell its advertising marketplace, AdX, in an attempt to end an EU antitrust investigation, but European publishers rejected the offer as insufficient (Jody Godoy, David Shepardson. "[Google's US Antitrust Trial Over Online Ad Empire Draws to a Close](#)." *Reuters*. November 25, 2024). That same month, Ireland's Data Protection Commission announced that it was opening an inquiry into whether Google's Pathways Language Model 2 data processing would likely result in a "high risk to the rights and freedoms of individuals" in the EU. The Company responded that it would assist with the investigation (Kelvin Chan. "[Google's AI Model Faces European Union Scrutiny from Privacy Watchdog](#)." *AP News*. September 12, 2024).

World Wide Web Consortium

The Company also faced criticism after it emerged that Google intended to ignore a request by the World Wide Web Consortium ("[W3C](#)"), the international organization that develops standards and guidelines for the web, to rethink its Topics API, a key ad-targeting component of Google's privacy sandbox proposal. More specifically, the W3C's Technical Architecture Group raised a series of concerns following a request from Google in March 2022 for an "early design review" of the Topics API, writing that its "initial view" is that Google's proposed Topics API fails to protect users from "unwanted tracking and profiling" and maintains the status quo of "inappropriate surveillance on the web" (Natasha Lomas. "[UK Privacy Watchdog Silent as Google Flicks Off Critique that its Topics API Fails to Reform Ad-Tracking](#)." *Tech Crunch*. January 17, 2023).

Targeting Users Under 18

The Company and Meta developed a marketing project that was aimed at pulling 13- to 17-year-old YouTube users into

Meta's Instagram, thus circumventing the Company's search rules barring personalized ads to those under 18. Both the Company and Meta partnered with Spark Foundry, the U.S. subsidiary of the French advertising company, Publicis, to pilot the program in Canada between February and April 2024, and then hold a trial test in the U.S. in May, with plans to expand overseas while also promoting other Meta apps like Facebook. The deal was reportedly already in development when Meta's co-founder appeared before Congress in January 2024 to apologize to families of children victimized on its platforms. Despite the Company's policies against personalizing or targeting ads to users under 18 as well as against using "proxy targeting" to circumvent its own guidelines, the campaign targeted users categorized as "unknown," a group predominantly comprising individuals under 18. When contacted by *The Financial Times*, the Company replied that it was conducting an investigation into the allegations and stated that the project had been canceled. The Company also reasserted its commitment against targeting users under 18, but it did not deny using the "unknown" loophole. Similarly, Meta stated that it disagreed that designating an "unknown" audience constituted personalization or circumventing rules and did not respond to questions about the "unknown" group skewing to younger users (Stephen Morris, Hannah Murphy. "[Google and Meta Struck Secret Ads Deal to Target Teenagers](#)." *The Financial Times*. August 7, 2024). By October 2024, European regulators were requesting additional information from the Company regarding its secret advertising partnership with Meta. Information from the Company's internal investigation, codenamed "Tangerine Owl," was presented to Belgian officials who were considering the matter. In December, the regulators requested additional information, increasing the likelihood of a formal investigation into the Company (Stephen Morris, Javier Espinoza. "[Brussels Probes Google and Meta Secret Ads Deal to Target Teens](#)." *The Financial Times*. December 9, 2024).

A proposed class action lawsuit was filed against the Company in California federal court in early April 2025, alleging that the Company was unlawfully using its products to secretly gather information about school-age children by substituting the consent of the school for that of parents. The suit claimed that through Google's "Workspace for Education" suite of cloud-based productivity apps, which are used by almost 70% of K-12 schools in the U.S., the Company collected traditional education records as well as "thousands of data points that span a child's life" without the consent of students or parents. Further, the allegations claim that the Company does not disclose that it embeds hidden tracking technology in its Chrome browser that develops a child's unique digital "fingerprint" that functions to track students even when schools have disabled cookies or use blocking technologies. The plaintiffs further argue that "school personnel do not have the authority to provide consent in lieu of parents." The Company allegedly uses the data for its own commercial products and also sells the data to third parties, including other education technology companies. The lawsuit, which claimed the Company violated the Fourth and Fourteenth Amendments, the Federal Wiretap Act, and the California Invasion of Privacy Act, was seeking a nationwide class of K-12 public school students who used Google's products, as well as a California sub-class (Isaiah Poritz. " [Google Hit with Lawsuit over Data Collection on School Kids \(1\)](#)." *Bloomberg Law*. April 8, 2025).

Election Interference

The Company was also drawn into the 2016 election interference scandal, [announcing](#) in October 2017 that it found both search and display ads purchased by Russian-affiliated actors. However, the extent of election interference related to advertising differed significantly between Facebook and the Company, primarily because each platform provided a unique degree of targeting for advertisers. Facebook allowed highly-specific targeting criteria to be used by advertisers, such as precise geographical location, political affiliations, job titles, and employers (Deepa Seetharaman, Georgia Wells, Byron Tau. " [Release of Thousands of Russia-Linked Facebook Ads Shows How Propaganda Sharpened](#)." *The Wall Street Journal*. May 10, 2018). In contrast, while the 2016 presidential election was the first time that the Company allowed targeting by political leanings, it only included left-leaning and right-leaning political categories. Generally, the ads posted on the Company's platform were targeted more broadly, such as by U.S. users or English-language queries (Daisuke Wakabayashi. "[Google Finds Accounts Connected to Russia Bought Election Ads](#)." *The New York Times*. October 9, 2017).

Discrimination

The Company and others in its industry have also faced controversy regarding potentially discriminatory behavior being enabled by their advertising platforms. The Company, Twitter, and Amazon all offered advertisers the ability to target viewers by zip code, interest, and, demographics, including ethnic categories such as Spanish speakers. Although the companies asked advertisers to abide by nondiscrimination policies and fair housing laws, there was little oversight. In March 2019, the Department of Housing and Urban Development ("HUD") alleged that Facebook's targeted advertising platform violated the Fair Housing Act by restricting who can view housing ads, leading to unlawful discrimination. In 2018, HUD alerted Twitter and the Company that it was scrutinizing their platforms for similar violations. The Company stated that it prohibited ad targets based on race, ethnicity, religious beliefs, or disability status, and that it removed 2.3 billion ads violating company policies in 2018 (Tracy Jan, Elizabeth Dwoskin. " [HUD Is Reviewing Twitter's and Google's Ad Practices as Part of Housing Discrimination Probe](#)." *The Washington Post*. March 28, 2019).

Further, a 2022 [study](#) by the Center for Critical Race and Digital Studies showed that Google's AdSense both perpetuates

racial stereotypes through its suggestive representations within online ads and blocks advertisements attempting to address issues of racism (pp.9-10)

Extremism and Violence

Criticism has also been leveled at the Company after it was reported that automated advertising processes on the site had juxtaposed ads from well-known companies with offensive videos. Because YouTube shares some of the ad sales with the creators of the content on which the ads appear, the ad buyers can inadvertently fund extremists. The issue led to high-profile companies pulling their ads from YouTube, though typically the number of ads appearing next to objectionable content had been relatively small (Daisuke Wakabayashi. ["Google Training Ad Placement Computers to Be Offended."](#) *New York Times*. April 3, 2017). In addition, YouTube has experienced cases of objectionable content surfacing in its designated child-friendly streams, which feature algorithmically suggested videos (Devin Coldewey. ["YouTube Tightens Rules on Kid-Related Content."](#) *Techcrunch*. November 22, 2017). Further, investigations by the *BBC* and the *Times* revealed tens of thousands of predatory accounts used to leave explicit comments on children's videos (["Predatory Comments Prompt YouTube Ad Suspension."](#) *BBC News*. November 25, 2017). A number of major companies, including AT&T, Kellogg Co., Nestle SA, Walt Disney Co., Hasbro Inc., and the U.S. division of Fiat Chrysler, among others, stopped advertising on YouTube in February 2019 over predatory accounts and reports of child exploitation on the platform. YouTube stated that any content endangering minors is "abhorrent" and clearly prohibited by its policies, adding that it deletes problematic accounts and channels, reports illegal activities to law enforcement, and disables violative comments. Further, the Company stated that it had disabled comments on "tens of millions" of videos that included minors and deleted around 400 accounts that had left concerning comments (Matthew S. Schwartz. ["Advertisers Abandon YouTube Over Concerns That Pedophiles Lurk In Comments Section."](#) *NPR*. February 22, 2019).

COMPANY DISCLOSURE

The Company acknowledges a number of risks related to the aforementioned issues in its most recent 10-K. For example, it states that it generates a significant portion of its revenues from advertising. Reduced spending by advertisers, a loss of partners, or new and existing technologies that block ads online and/or affect its ability to customize ads could harm its business. The Company further states that in 2024, it generated more than 75% of total revenues from online advertising. It explains that many of its advertisers, companies that distribute its products and services, digital publishers, and content providers can terminate their contracts with the Company at any time and that these partners may not continue to do business with the Company if it does not create more value, such as increased numbers of users or customers, new sales leads, increased brand awareness, or more effective monetization, than their available alternatives (2024 10-K, pp.10-11).

The Company also states that changes to its advertising policies and data privacy practices, such as its initiatives related to third-party cookies, including its announcement in July 2024 to move from phasing out all third-party cookies to a proposed user choice model (which remains subject to continuing discussions with regulators), as well as changes to other companies' advertising and/or data privacy practices, have in the past, and may in the future, affect the advertising that the Company is able to provide. In addition, it states that technologies have been developed that make customized ads more difficult or that block the display of ads altogether, and some providers of online services have integrated technologies that could potentially impair the availability and functionality of third-party digital advertising. Failing to provide superior value or deliver advertisements effectively and competitively could harm the Company's business, reputation, financial condition, and operating results. Additionally, it states that adverse macroeconomic conditions have affected, and may in the future affect, the demand for advertising, resulting in fluctuations in the amounts the Company's advertisers spend on advertising, which could harm its financial condition and operating results (2024 10-K, p.11).

The Company also states that it is subject to a variety of new, existing, and changing laws and regulations worldwide that could harm its business, and will likely be subject to an even broader scope of laws and regulations as the Company continues to expand its business. The Company specifies that examples include laws and regulations further restricting the collection, processing, and/or sharing of user or advertising-related data (2024 10-K, pp.18-19). It also discusses long-term trends, which include online advertising, and states that as online advertising evolves, the Company continues to expand its product offerings, which may affect its monetization. It also expects to continue to incorporate AI innovations into its products, such as AI in Search, that could affect its monetization trends. It clarifies that when developing new products and services, the Company generally focuses first on user experience and then on monetization (p.30).

The Company states that Google Services revenues consist of Google advertising revenues, as well as Google subscriptions, platforms, and devices revenues, which include the following:

- Google Search & other, which includes revenues generated on Google search properties (including revenues from traffic generated by search distribution partners who use Google.com as their default search in browsers, toolbars, etc.), and other Google owned and operated properties like Gmail, Google Maps, and Google Play;
- YouTube ads, which include revenues generated on YouTube properties; and
- Google Network, which includes revenues generated on Google Network properties participating in AdMob,

AdSense, and Google Ad Manager.

(2024 10-K, p.32)

In its response to this proposal, the Company states:

Our Human Rights Program advises product teams on potential civil and human rights impacts, conducts human rights due diligence, and engages external experts and stakeholders. Furthermore, our Human Rights Program is a central function responsible for ensuring that we are meeting our commitment to the United Nations Guiding Principles on Business and Human Rights, Global Network Initiative Principles, and other civil and human rights instruments across Google and its products. Our civil and human rights work is integrated into processes and procedures across the company and informs our long-term strategies and day-to-day decision-making.

We also evaluate how we act on our human rights commitments and mitigate related risks, and make enhancements to our governance as appropriate.

It further notes, regarding its use of AI, that it pursues AI responsibly throughout the AI development and deployment lifecycle, implementing appropriate human oversight, due diligence, and feedback mechanisms to align with user goals, social responsibility, and widely accepted principles of international law and human rights. It affirms that it has guardrails in place to help prevent its systems from engaging with inappropriate or sensitive prompts or suggesting policy-violating creative content. To help reduce the likelihood of errors, the Company also gives advertisers the flexibility to add additional guardrails by grounding generated responses on their own materials, such as ads or landing pages, and advertisers have the opportunity to review all of their AI-generated assets before running them in a campaign. Moreover, the Company emphasizes that all ads are subject to its existing Ads policies (2025 DEF 14A, p.89).

The Company also states that in the U.S. and Canada, its personalized advertising policies prohibit employment, housing, and credit advertisers from targeting or excluding ads based on gender, age, parental status, marital status, or zip code. It also provides housing advertisers with information about fair housing requirements to help ensure they are acting in ways that support access to housing opportunities. Further, the Company has policies prohibiting personalization based on sensitive categories (2025 DEF 14A p.89).

In April 2025, the Company published its [2024 Ads Safety Report](#), which presents the latest updates on its ongoing work to keep the advertising ecosystem safe. The Company [states](#) its policies are designed to support a safe and positive experience for its users, which is why it prohibits content that it believes to be harmful to users and the overall advertising ecosystem. It then notes that in 2024, 5.1 billion bad ads were blocked or removed, more than 9.1 billion ads were restricted, and more than 39.2 million advertiser accounts were suspended. Further, the Company blocked or restricted ads from serving more than 1.3 billion publisher pages and across more than 220,000 publisher sites. The report also [affirms](#) that the key trend of 2024 was how AI is improving the Company's ability to prevent fraudsters from showing ads to people.

The Company also [provides](#) information on its work to prevent fraud and scams, stating that it was able to permanently suspend over 700,000 offending advertiser accounts, which led to a 90% drop in reports of public figure impersonation scam ads last year. It also discusses restricted ads by category, as well as continuing to invest heavily in making its large language models more advanced than ever, launching over 50 enhancements to its models, which enabled more efficient and precise enforcement at scale. It also continued to invest in stopping advertiser fraud at scale in the account set-up process, using signals like business impersonation and illegitimate payment details as early indicators of potential consumer harm, enabling the Company to stop countless harmful ads before they could run. The Company also made 30 updates to its [Ads](#) and [Publishers](#) policies in the past year. The Company further [explains](#) that the ad safety landscape is constantly changing, reshaped by technological breakthroughs like advancements in AI, emerging abuse tactics, and global events, demanding continuous agility from its industry.

In 2023, the Company launched its [Limiting Ads Serving Policy](#), which is designed to protect users by limiting the reach of advertisers with whom they are less familiar. The Company also provides its [Updated Misrepresentation Policy](#) to better enable it to rapidly suspend the accounts of bad actors. Additionally, it offers its [Ads Transparency Center](#), which is a searchable hub of all ads from verified advertisers.

Further, in 2022 the Company [announced](#) a multi-year initiative to build the [Privacy Sandbox](#) on Android, with the goal of introducing new, more private advertising solutions. Specifically, these solutions will limit the sharing of user data with third parties and operate without cross-app identifiers, including advertising ID. It [states](#) that the Privacy Sandbox on Android builds on the Company's [existing efforts on the web](#), [providing](#) a clear [path forward](#) to improve user privacy without putting access to free content and services at risk. Additionally, it [discusses](#) its goal with the Privacy Sandbox on Android is to develop effective and privacy-enhancing advertising solutions, where users know their information is protected and developers and businesses have the tools to succeed on mobile. While the Company [designs](#), builds, and tests these new solutions, it plans to support existing ads platform features for at least two years, and the Company intends to provide substantial notice ahead of any future changes. The Company also states that it is committed to

working closely with regulators and that it has offered public commitments for its Privacy Sandbox efforts on the web, including ensuring that the Company does not give preferential treatment to Google's ads products or sites. It will apply these principles to its Android work, as well, and continue working with the UK Competition and Markets Authority and others. The Company is also using [SynthID](#) to identify AI-generated content.

Regarding human rights, the Company discloses its [Human Rights Program](#), which respects the Universal Declaration on Human Rights and its implementing treaties, as well as upholding the standards established in the UN Guiding Principles on Business and Human Rights and in the Global Network Initiative Principles. It also discloses its [privacy policy](#), which discusses advertising.

For more information on the Company's approach to human rights, please see our analysis of Proposal 9.

The Company has also published a third-party [civil rights audit](#) conducted by Wilmer Cutler Pickering Hale and Dorr LLP in 2023, benchmarking several topics related to AI, content moderation, and advertising, among other issues (p.3). With respect to ads, the audit assessed Google's data collection and data privacy practices related to information provided by or inferred about users, including relevant user controls; personalized ads targeting policies and processes, restrictions, controls, and emerging challenges; and the development of privacy-focused replacements for the use of third-party cookies to serve ads. It also interviewed individuals from a variety of teams and with various expertise, including those who focus on privacy and user trust; ads policy development, implementation, and enforcement; and election ads. Among its observations, the audit states that preventing user harm, like improper targeting practices or the distribution of hateful or derogatory ad content, is a top priority within ads teams at Google. Further, it states that Google has always prohibited using information about users' race, ethnicity, religion, or national origin for the purpose of serving ads, and it has consistently taken steps to empower users by giving them control over their personal information. The auditors suggest that to maintain its position as a leader in privacy-focused and user-empowering advertising practices, Google should continue to prioritize equity-advancing initiatives and projects and ensure that such changes are effectuated even when there are competing demands. It adds that to incentivize this important work, Google should also recognize equity-related product and policy efforts during the performance review process, including for ads personnel (p.13).

The audit's scope also included personalized ads, and it [recommends](#) that Google prioritize the implementation of inclusive gender identity options for users and ensure targeting features respect those declarations because having such options should promote relevance and consistency in user ad experiences across genders. It explains that, to ensure that "sensitive interests" categories remain thoughtful and well-informed, Google should, as appropriate, consider external perspectives when determining whether subjects fall within these sensitive interest categories.

For further information on the Company's policies and practices regarding its responsible use of AI, please see our analysis of Proposal 11.

Summary

Analyst Note

The Company provides substantial disclosure regarding its target advertising policies and practices, including its annually updated Ads Safety Report, as well as regarding its human rights commitments and its privacy initiatives. Additionally, the Company has released a third-party civil rights audit that addresses the Company's targeted advertising policies and practices. Nevertheless, the Company continues to face several investigations regarding its practices in the U.S. and internationally.

RECOMMENDATION

Glass Lewis recommends that shareholders take a close look at proposals such as this to determine whether the actions requested of the Company will clearly lead to the enhancement or protection of shareholder value. Glass Lewis believes that directors who are conscientiously exercising their fiduciary duties will typically have more and better information about the Company and its situation than shareholders. Those directors are also charged with making business decisions and overseeing management. Our default view, therefore, is that the board and management, absent a suspicion of illegal or unethical conduct, will make decisions that are in the best interests of shareholders.

Given the Company's preeminent role on the internet, the Company has an especially important role in ensuring the integrity of the information on its platform. As has been seen at the Company and elsewhere, allowing for violations of human rights on its platforms or via its advertising could lead to significant legal, reputational, regulatory, and operational risks.

In recent years, regulators and governmental bodies have begun to address how to minimize the misuse of social media and online platforms, and much of the focus of these efforts has been targeted at the Company and others in its industry. Given the international attention to the issues of content management, including targeted advertising, we believe that the Company should take appropriate steps to mitigate any attendant risks to its operations. We believe that inattention to this

issue could lead to fines, lawsuits, or other governmental intervention. As such, we deem this issue to be a material risk for the Company.

We recognize that the Company has provided enhanced disclosure and has taken some action with respect to the issues raised by the proponent. Among other things, the Company provides details in its latest Ads Safety Report on blocking 5.1 billion bad ads in 2024, as well as on its 30 policy updates. It also discusses AI's role in both targeted advertising and the monitoring of content on its platforms. Further, the Company has released an independent third-party [civil rights audit](#) that briefly addresses the Company's targeted advertising,

Despite this, we believe that support for this resolution would provide disclosure of an important area that we do not believe is being satisfactorily addressed by the Company. Thus, we believe that shareholders would be better served by an independent review of how the Company is managing these issues. As such, we recommend that shareholders support this resolution.

We recommend that shareholders vote **FOR** this proposal.

Do not redistribute

13.00: SHAREHOLDER PROPOSAL REGARDING ALIGNMENT OF LOBBYING AND POLICY INFLUENCE ACTIVITIES WITH CHILD SAFETY COMMITMENTS

AGAINST

PROPOSAL REQUEST:	That the Company report on the alignment of its lobbying and political activities with its child safety policies and commitments	SHAREHOLDER PROPONENT:	Proxy Impact, on behalf of the Broz Family Investments, LLC
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	REQUIRED TO APPROVE:	Majority of votes cast
RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:			
AGAINST - Not in the best interests of shareholders			

SASB MATERIALITY

PRIMARY SASB INDUSTRY: Internet Media & Services

FINANCIALLY MATERIAL TOPICS:

- Environmental Footprint of Hardware Infrastructure
- Data Security
- Intellectual Property Protection & Competitive Behavior
- Data Privacy, Advertising Standards & Freedom of Expression
- Employee Recruitment, Inclusion & Performance

GLASS LEWIS REASONING

- We find the Company's current, robust disclosures concerning both child safety and lobbying to be sufficient to allow shareholders to understand the risks associated with both of these matters.

PROPOSAL SUMMARY

Text of Resolution: *RESOLVED: Shareholders request the Board of Directors analyze and report to shareholders (at reasonable cost and omitting confidential information) on whether and how Alphabet is aligning its lobbying and policy influence activities and positions, both direct and indirect (through trade associations, coalitions, alliances, and other organizations) with its child safety policies and commitments, including the activities and positions analyzed, the criteria used to assess alignment, and involvement of stakeholders, if any, in its analytical process.*

In evaluating the degree of alignment between its child safety policies and its lobbying, Alphabet should consider not only its policy positions and those of organizations of which it is a member but also the actual lobbying activities, such as legislative comment submissions.

Proponent's Perspective

- According to *The Wall Street Journal*, the Company has co-led technology's opposition to the Kid's Online Safety Act ("KOSA"), which "would assign to platforms what it calls a 'duty of care,' essentially putting a legal onus on them to take steps to address mental-health disorders, addiction-like behaviors, bullying, sexual exploitation and more";
- KOSA is the first major federal legislation about child safety online since 1998 and had enjoyed rare bipartisan support until targeted by big technology lobbyists;
- The Company reported lobbying on child safety bills including: (i) S.1409 Kids Online Safety Act, (ii) S.1207 EARN IT Act 2023, (iii) S.1418 Children and Teens Online Privacy Protection Act, (iv) S.90 and H.R.538 Consumers about Smart Devices Act, (v) S.474 REPORT Act, (vi) S.1291 Protecting Kids on Social Media Act, and (vii) S.1199 STOP Child Sexual Abuse Materials ("CSAM") ACT of 2023, among others;
- On a state level, the Company has opposed, or sought carve outs, against legislation in California, Arkansas, Louisiana, and Utah, requiring mandatory age verification aimed to help protect minors;
- It was reported that the Company and Meta are spearheading a

Board's Perspective

- Well-crafted legislation can be an effective tool in building on existing efforts to keep children and teens safer online, and as part of its commitment to collaborating with legislators on these issues, in October 2023, the Company published a Legislative Framework to Protect Children and Teens Online, which offers the Company's perspectives on how to implement protections while also allowing young people to learn and thrive in an increasingly digital world;
- The report requested by this proposal would largely duplicate the Company's publicly accessible and comprehensive framework outlining its suggested legislative approaches in line with its child safety policies and commitments;
- The Company is public in its support of a number of laws on these issues and has been clear where it has concerns about other proposed laws that could have negative and/or unintended consequences;
- Without waiting for legislation, the Company strives to ensure that children and teens have positive and age-appropriate experiences on its platforms by: (i) designing age-appropriate products, (ii) empowering families with flexible controls, and (iii) implementing strong policies and protections;

- push to suppress New York legislation aimed at protecting children online regarding the \$1 million in Big Tech lobbying against the Stop Addictive Feeds Exploitation ("SAFE") for Kids Act and the New York Child Data Protection Act;
- The Company has lobbied against child safety-related legislation in Australia, the UK, and the EU (amid accusations of illegal lobbying through front groups); and
- The Company has several child safety policies and commitments as stated in its Terms of Service, Transparency Reports, Google and YouTube Community Guidelines, Child Safety page, Privacy Page and its 2024 Proxy, but the Company's lobbying policy appears to be significantly misaligned with its child safety commitments.
- The Company's products already offer many safeguards advocated for in proposed legislation such as the Kid's Online Safety Act, including content protections and digital wellbeing tools for minors, as well as prohibiting personalized advertising to minors;
- The Company actively engages with federal and state lawmakers and independent experts, and in 2024 it supported several bipartisan bills, including the Invest in Child Safety Act, the Project Safe Childhood Act, the REPORT Act, the SHIELD Act, and the STOP CSAM Act; and
- The Company is committed to working constructively with lawmakers to make sure online safety legislation appropriately balances child privacy and safety with the rights of children to learn and explore online.

THE PROPONENT

Proxy Impact

Founded and led by Michael Passoff, [Proxy Impact](#) was "launched to help foundations and sustainable investors align their investments and values." It provides "environmental, social and sustainable governance (ESG) shareholder engagement and proxy voting services that promote sustainable and responsible business practices." It also works with foundations and NGOs on grant making and campaign strategies on environmental and social justice issues. Because Proxy Impact is not an investor, it has no AUM.

Proxy Impact offers several services, including shareholder engagement, proxy voting, and philanthropic and consulting. With regard to [proxy voting](#), it states that it provides "environmental, social and sustainable (ESG) proxy voting services on domestic and foreign companies trading in the U.S." It will vote all clients' shares via an online platform and provide confirmation of all votes. With regard to shareholder advocacy, it [states](#) that it provides custom shareholder advocacy services, which include:

- Researching issues, corporations, and shareholder engagement options;
- Producing reports, scorecards, benchmarks and best practices;
- Developing shareholder engagement plans
- Sending detailed letters of concern to corporations, the SEC or other appropriate agencies;
- Conducting company dialogues with senior management;
- Coordinating expert briefings with stakeholders, scientific or NGO leaders;
- Filing shareholder resolutions;
- Recruiting resolution co-filers;
- Defending resolutions at the SEC;
- Conducting shareholder solicitation/investor education;
- Speaking at the company's annual meeting; and
- Conducting media outreach.

Based on the disclosure provided by companies concerning the identity of proponents, during the first half of 2024, Proxy Impact submitted three shareholder proposals to U.S. companies that received an average of 21.7% support (excluding abstentions and broker non-votes), with none of its proposals receiving majority support.

GLASS LEWIS ANALYSIS

Companies should provide sufficient disclosure of the use of company funds for political purposes, including grants made to politically active trade associations, in order to allow shareholders to evaluate the use of such grants as well as the oversight provided over the making of such grants. Shareholders should evaluate whether the benefits of the additional disclosure outweigh the burden to the company.

We believe that companies should consider their exposure to risk stemming from making corporate political expenditures and the nature of board oversight over such spending. Informative disclosure and robust board oversight of political contributions are important components of corporate accountability. In our view, a rigorous board oversight process can mitigate a company's legal, reputational, and financial risks by ensuring that donations are made in accordance with

federal and state laws, consistent with a company's stated values, and will clearly lead to the protection or enhancement of long-term shareholder value.

Given the dramatic increase in overall political spending and the Citizens United Supreme Court decision, investors, spurred by risk concerns, are increasingly seeking more information from companies about their political activities. For detailed information on corporate political spending, including the history, relevant regulation, various ways companies contribute to political causes, and empirical evidence regarding such spending, please see Glass Lewis' [In-Depth: Corporate Political Spending](#).

When evaluating whether the report requested would benefit shareholders, Glass Lewis reviews the following information: (i) whether the disclosure provided by the Company is accessible and meaningful; (ii) the level of oversight afforded to the Company's corporate political spending; (iii) how the Company's disclosure and oversight compares with that of its peers; and (iv) any risks to shareholder value as a result of the Company's corporate political spending.

COMPANY DISCLOSURE

The Company discusses its public policy engagement on its [Transparency Page](#), stating that it champions public policy and regulatory approaches that ensure the Internet continues to be a vehicle of growth and innovation serving the widest range of people possible. It then discusses its position on key issues steering its public policy work, including artificial intelligence; competition; connectivity; copyright; government technology modernization; intermediary liability; patents; privacy, security and data use; and workforce, education, and opportunity. Regarding direct political contributions, the Company states that, to date, it has chosen not to use corporate resources to make independent expenditures or to fund electioneering communications in support of or opposition to a federal, state, or local candidate's election, but that in the future, if it were to make any direct independent expenditures, it would disclose such expenditures on its transparency website and in its public campaign disclosure reports.

It also provides a quarterly updated [itemized list](#) of direct corporate political contributions to 527 organizations and state and local candidates, parties, and committees. Regarding its indirect political contributions and trade association memberships, the Company [explains](#) that it prohibits trade associations and other tax-exempt organizations such as 501(c)4s from using dues or payments for political expenditures, and that it informs such organizations that it reserves the right to terminate all payments immediately if it finds that any portion of contributions has been used for political expenditures during its annual review. The Company then provides a [list](#) of politically engaged trade associations, independent third-party organizations, and other tax-exempt groups that receive the most substantial contributions.

In response to this proposal, the Company states that it is public in its support of a number of laws on these issues and has been clear where it has concerns about other proposed laws that could have negative and/or unintended consequences. The Company also states that its products already offer many safeguards advocated for in proposed legislation such as the Kid's Online Safety Act, including content protections and digital wellbeing tools for minors, as well as prohibiting personalized advertising to minors (2025 DEF 14A, p.92).

As part of its commitment to collaborating with legislators, the Company [published](#) its [Legislative Framework to Protect Children and Teens Online](#), which states that well-crafted legislation can be an effective tool to build on the Company's efforts to keep children and teens safer online. It adds that, in particular, the Company supports legislation that tailors protections to the age of the child, supports mental health and well-being, tackles different risks with proportional responses, and gives space for product and business improvements. For more information on the Company's framework, please see our analysis of Proposal 14.

Regarding oversight, the board's [nominating and corporate governance committee](#) regularly oversees corporate political activity and reviews corporate political policies and activities, including expenditures made with corporate funds, direct corporate contributions to state and local political campaigns, and its policy prohibiting trade associations and other organizations from using corporate funds for political activities. It also annually reviews the lobbying activities of its public policy and government affairs team. The [audit and compliance committee](#) reviews and discusses with management the Company's major risk exposures, including financial, operational, data privacy and security, competition, legal, regulatory, compliance, civil and human rights, sustainability, and reputational risks, and the steps the Company takes to prevent, detect, monitor, and actively manage such exposures.

Summary

Analyst Note

The Company provides robust disclosure of both its political activities, its political priorities, and its child safety policy and commitments. It also maintains a Legislative Framework to Protect Children and Teens Online, which describes the specific principles it considers in its decisions regarding public policy action. Furthermore, the Company maintains explicit board-level oversight of political activity.

RECOMMENDATION

As discussed in significant detail in Proposal 14, we understand that the mismanagement of issues related to child online safety can, at a minimum, result in significant reputational harm for the Company. Such mismanagement can also result in significant exposure to legal and regulatory risks, all of which have the ability to harm shareholder value. Moreover, we understand that there have been controversies with respect to this issue involving both the Company and its peers. We believe that mismanagement of lobbying activities around these issues could also result in increased exposure to risk. We, therefore, believe that it is prudent for companies to consider the potential reputational risks involved when political contributions are made to trade associations, candidates, or committees whose political actions appear to run contrary to a company's business interests or corporate values. This is especially true when political entities adopt social positions that do not appear to resonate with a company's stated values. In general, we expect that a full disclosure regarding its lobbying and policy influence activities, policies, and expenditures.

We believe companies should disclose as much relevant information as possible to help assess whether lobbying and policy influence activities are aligned with a company's policies and best interests. Companies should also carefully consider the inherent reputational risks associated with indirectly supporting positions that can be interpreted as contradictory to company values. However, we do not believe that the reporting requested by this proposal is necessary at this time. At present, we find the Company's current lobbying policies and level of disclosure to be reasonable to allow shareholders to gauge the risks presented by the Company's political involvement.

Regarding the Company's alignment of lobbying and policy influence activities with its child safety policy and commitments, we believe it has provided robust disclosure about both topics (though separately), which we believe sufficiently enables shareholders to understand the Company's risk management of these issues. Additionally, the Company provides its Legislative Framework to Protect Children and Teens Online, which describes the principles it considers when making decisions regarding public policy action. Further, the proponent has not provided sufficient evidence that the Company is managing compliance with its child safety policy in relation to any of its activities, including lobbying activities, in a manner that threatens shareholder value.

Ultimately, although we understand the concerns raised by the proponent, we are not convinced that the requested disclosure would necessarily benefit shareholders at this time, particularly given the Company's existing disclosures. That being said, we recognize that this is an evolving issue and will monitor broader trends in disclosure concerning how companies ensure their values are aligned with their lobbying and policy influence activities and may revise our recommendation on future proposals on this topic.

We recommend that shareholders vote **AGAINST** this proposal.

14.00: SHAREHOLDER PROPOSAL REGARDING REPORT AND TARGETS ON CHILD SAFETY IMPACTS

AGAINST

PROPOSAL REQUEST:	That the Company publish a report with metrics on whether its child safety impacts and actual harm reduction to children has improved globally	SHAREHOLDER PROPONENT:	Boston Common Asset Management on behalf of the Boston Common ESG Impact US Equity Fund, as lead filer, along with other co-filers
BINDING/ADVISORY:	Precatory	REQUIRED TO APPROVE:	Majority of votes cast
PRIOR YEAR VOTE RESULT (FOR):	14.2%		
RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:			
AGAINST - Not in the best interests of shareholders			

SASB MATERIALITY

PRIMARY SASB INDUSTRY: Internet Media & Services

FINANCIALLY MATERIAL TOPICS:

- Environmental Footprint of Hardware Infrastructure
- Data Security
- Intellectual Property Protection & Competitive Behavior
- Data Privacy, Advertising Standards & Freedom of Expression
- Employee Recruitment, Inclusion & Performance

GLASS LEWIS REASONING

- In light of the extensive quantitative reporting on the Company's efforts to combat CSAM, we are unconvinced that additional disclosure would meaningfully add to shareholders' understanding of how the Company is managing this issue.

PROPOSAL SUMMARY

Text of Resolution: *Resolved: Shareholders request that the Board of Directors publishes a report (prepared at reasonable expense, excluding proprietary information) that includes quantitative metrics appropriate to assessing whether and how Alphabet/YouTube has improved its performance globally regarding child safety impacts and actual harm reduction to children on its platforms.*

Proponent's Perspective

- Social media impacts children's brains differently than adult brains and poses physical and psychological risks that many children and teens are unprepared for, including sextortion and grooming, hate group recruitment, human trafficking, cyberbullying and harassment, exposure to sexual or violent content, invasion of privacy, self-harm content, and financial scams, among others;
- The U.S. Surgeon General called for social media warning labels due to its impact on kids' mental health;
- Forty-two states have sued the Company as the parent company, claiming YouTube is intentionally addictive and harm kids' mental health;
- Plaintiffs claim YouTube caused a myriad of mental and physical harms, including cyberbullying, depression, and self-harm and suicide;
- YouTube is often noted as a primary online channel for grooming and coercion, livestreaming, and housing child sexual abuse exploitation material;
- YouTube paid a record \$170 million fine to the Federal Trade Commission ("FTC") in response to allegations that YouTube illegally harvested children's data;
- A Harvard study cited in 2022 YouTube generated the highest ad revenue out of all the platforms from users 12 and under (\$959.1 million) and derived 27% of its overall revenue from users under 18;
- In 2023, Fairplay raised concerns with the FTC about Google's

Board's Perspective

- Across Google and YouTube, the Company has put extensive resources into building robust policies and protections to combat the exploitation and endangerment of minors;
- YouTube's Youth Principles guide its product and policy development work and promote a healthy experience for young people of all ages, and YouTube's Terms of Service require that users must be at least 13 years old to use the platform or that a parent or legal guardian must enable it for them;
- The Company relies on a combination of automated filters built by its engineering teams, human review, and feedback from parents to keep videos on YouTube Kids family-friendly;
- The Company's child safety policies prohibit content that endangers the emotional and physical well-being of minors, and the Company regularly reviews and updates its Community Guidelines in consultation with industry experts;
- The Company removes violative content and reports sexually explicit content featuring minors and content that sexually exploits minors to the National Center for Missing and Exploited Children ("NCMEC"), which forwards those reports to law enforcement agencies around the world as appropriate;
- The Company's regularly updated transparency report documents its efforts to combat online CSAM;
- YouTube does not offer certain social media features to youth such as direct messaging that might pose additional harms to children, and age-gate content not appropriate for viewers under 18;

ads targeted to children, reporting that YouTube placed its behavioral ads on children's channels 1,446 times;

- The EU's Digital Services Act requires identifying, reporting, and removing child sexual abuse material;
- The UK's Online Safety bill aims to protect children from online fraud and harmful content;
- The U.S. proposed Kids Online Safety Act requires companies to prevent or mitigate child risks including suicide, eating disorders, and substance abuse; and
- YouTube lists steps taken to improve child safety, but it has no publicly available child safety or harm reduction performance metrics for shareholders and stakeholders to judge the effectiveness of the Company's announced tools, policies, and actions.

- The Company's public Child Safety Toolkit includes tools it has developed to help organizations protect children and combat child sexual abuse material ("CSAM") by better prioritizing abusive content for review;
- The Company offers two APIs, the Content Safety API and CSAI Match, to qualifying partners free of charge, and the Company's partners use these tools to process billions of files, allowing them to evaluate millions of images and videos for abusive behavior each year;
- In contrast to many other online platforms, Google and YouTube disable ad personalization and restrict sensitive ad content and categories for users under 18, as well as on YouTube Kids and YouTube "made for kids" content, and prohibit users under 18 from opting into ad personalization;
- The Company publicly shares a number of policies and relevant data about its efforts to allow people to access authoritative information while removing and reducing problematic content;
- The Company's Terms of Service prohibit using any of its platforms or services to store or share illegal content, including CSAM, and across Google, the Company's teams work around-the-clock to identify, remove, and report this content;
- The Company shares information, technical expertise, and tools with other companies and groups working against CSAM;
- The Company's YouTube Community Guidelines transparency report, which the Company regularly updates, provides data on how it enforces its policies globally as well as information about its efforts to detect violative content through automated flagging systems;
- With respect to child safety, the transparency report tracks how many channels, videos, and comments are removed for child safety-related reasons each quarter; and
- The Company discloses a metric called the Violative View Rate, which measures its progress with respect to removing violative videos by estimating the percentage of total views that go to violative videos each quarter.

THE PROPONENT

Boston Common Asset Management

Boston Common Asset Management states that it is a woman-led and women- and employee-owned ESG investor.

It states that it offers advisory services on a discretionary basis to retail clients of sponsoring broker-dealers or financial consultants that offer wrap fee programs. As of December 31, 2023, it managed approximately \$4.7 billion in assets.

With regard to shareholder engagement, it states that it uses "shareholder leverage to influence corporate and industry practices globally, often in collaboration with coalitions of shareowners and activist organizations." It states that it backs relevant ESG shareholder proposals and files or co-files shareholder resolutions "when a company dialogue has stalled, or when a company is not willing to engage." It notes that the most common issues it files on include: board gender or racial diversity, climate change (adopting GHG emission reduction targets), human rights, political and lobbying disclosure and certain sector-specific issues like the impact of Russia's invasion in Ukraine on portfolio companies' operations and supply chains or COVID response with the pharmaceutical sector. It also has filed shareholder proposals in other markets, but this is not common practice.

Based on the disclosure provided by companies concerning the identity of proponents, during the first half of 2024, Boston Common submitted one shareholder proposal to a vote that received 14.2% average support.

GLASS LEWIS ANALYSIS

CHILD SEXUAL ABUSE MATERIAL

Given that new content is constantly being produced and added, it is nearly impossible to quantify in absolute terms the amount of child sexual abuse material ("CSAM") in circulation on the internet at any given time. Further, common metrics to assess CSAM, including reports from hotlines and criminal justice records, have their limitations. In a 2015 global study of hotlines, approximately one-third of those surveyed responded that CSAM reports made up the majority of their workloads, and the number of CyberTipline reports received by The National Center for Missing and Exploited Children ("NCMEC") increased from over 1.1 million reports in 2014 to more than 8.2 million by 2016. However, an increase in reporting may be due to factors including an improvement in rates of detection because of technological tools, because there has been an increase in human resources available to manage the issue, or because of a growing awareness of the problem and a willingness to report suspected CSAM. Moreover, these growing reports are leading to an increase in enforcement actions. According to a U.S. longitudinal National Juvenile Online Victimization study, there was a substantial increase in the number of arrests made for technology-facilitated sexual crimes against children between 2000 and 2009,

with one-half of all these arrests being for the possession of CSAM ("[Trends in Online Child Sexual Abuse Material](#)." ECPAT International. April 2018. pp.7-9).

Advances with the internet, digital cameras, computers, and smartphones have presented new avenues for sexual offenders and new challenges for tech companies and law enforcement. For example, mobile devices can be [used](#) to photograph, film, and stream CSAM (p.9). Web cameras, camera-enabled mobile devices, and live-streaming video chat services allow for the production and transmission of CSAM "on-demand" and in real-time, utilizing any device with a web or network-enabled camera, including computers, tablets, cell phones, gaming devices, and wearable technology (p.75). Various apps, including social media, can be used to target, groom, and coerce victims who can, aided by technology, be located anywhere in the world (p.9). Offenders achieve online anonymity through anonymization networks, including Tor and Freenet, to evade law enforcement and utilize encryption to protect their identities and the exploitative content they create and collect, relying on the ease of access and sharing ensured by cloud storage (pp.80,92).

Further, mobile devices and the internet have also aided in the propagation of sex trafficking. A recent study by Thorn, a nonprofit dedicated to the identification and rescue of trafficked children, [found](#) that 55% of domestic minor sex trafficking ("DMST") victims met their traffickers via text, website, or app. And of those whose traffickers used technology to build a relationship, 63% communicated online and 25% communicated with victims via phone call (p.5).

Another troubling component is that many images that constitute child pornography are taken and distributed, potentially unwillingly, by the victims themselves, whether sent between peers or solicited by an adult. In cases where adolescents had produced pornographic images, 83% were distributed on the internet and mainly taken by adolescents themselves and sent to others, over half of which were done with mobile phones ("[Trends in Online Child Sexual Abuse Material](#)." ECPAT International. April 2018. p.9). Law enforcement remains challenged to determine whether images were taken and distributed under coercion or rather as behavior that is consistent with adolescent development and risk-taking (p.5).

Given the increasing use of technology for grooming victims and advertising to buyers, Thorn believes that [tech companies](#) are uniquely positioned to combat DMST and engage with victims. For example, it notes that findings suggest increasing use of social media and apps by buyers to communicate with traffickers and victims. Thorn believes that further examination of patterns in this process could help industry identify bad actors on their platforms, while tech companies could also deliver online help advertisements via platforms frequented by victims (p.9).

Online child abuse and exploitation, already one of the largest crime challenges nationally, spiked during the COVID-19 pandemic as people were forced indoors and abusers and children spent more time online. At the same time, lockdown measures have meant fewer opportunities for abuse to be noticed and reported by daycare workers and schoolteachers. Still, tips to NCMEC nearly doubled from 6.3 million in the first half of 2019 to 12 million through June 2020, and reports of online enticement more than doubled during that timeframe. Even prior to the pandemic, a recent study stated that online creation and sharing of CSAM had reached a breaking point whereby reviews by the national center and law enforcement investigations no longer scale. Livestreaming and the abundance of apps such as TikTok, Whisper, and Omegle, along with games like Fortnite and platforms such as those presented by the Company and YouTube, provide an extensive online hunting ground for sexual predators (Dustin Racioppi, Trenton Bureau. "['People Don't Want to Talk About It,' but Reports of Kids Being Exploited Online Have Spiked Amid Coronavirus Pandemic](#)." *USA Today*. October 26, 2020).

In 2020, Meta reported over 20 million CSAM images to NCMEC, more than any other company, and more than 35 times as many reports as the next company on the list, Google. Meta's platforms contain the vast majority of all child sexual content flagged to the NCMEC, representing a 31% increase on the 16 million images reported to them by the platform in 2019 (Tom Porter. "[Facebook Reported More Than 20 Million Child Sexual Abuse Images in 2020. More Than Any Other Company](#)" *Business Insider*. February 26, 2021).

There have been a number of industry initiatives aimed at preventing the exploitation of children. For example, in 2023, the Company, Discord, Mega, Meta, Quora, Roblox, Snap, and Twitch signed on to participate in Lantern cross-platform signal sharing to fight online child sexual exploitation and abuse. Serving as a central database, Lantern was intended to keep predators from moving victims to new platforms to avoid detection, and the shared signals can help companies investigate or take action such as closing an account or reporting it to authorities. [The Tech Coalition](#), an alliance of global tech companies working to combat child sexual exploitation and abuse online, would oversee Lantern and would set out clear guidelines for data sharing (Wes Davis. "[Google, Meta, Discord, and More Team Up to Fight Child Abuse Online](#)." *The Verge*. November 7, 2023).

REGULATIONS GOVERNING PLATFORM CONTENT

In recent years, companies in the tech sector have faced significant controversy on account of the content produced by their users. Although companies in this industry have generally been insulated from this content, there have been recent legislative attempts to ensure these companies face more liability on account of the content housed on their platforms. Specifically, Section 230 of the 1996 Communications Decency Act ("CDA 230"), precludes companies from being held legally liable for the content of their users' posts on their websites. However, recent attempts at preventing sex trafficking

could have wide-ranging effects on companies in this industry, including the Company. In 2018, 24 senators co-sponsored a bill to allow prosecutors to pursue companies whose platforms facilitate sex trafficking. Although this bill was primarily targeted at Backpage.com, a classified site that had faced multiple lawsuits for its role in the online sex trade, opponents of the bill have contended that its passage would act as a slippery slope, allowing other aggrieved groups to begin to push for the right to go after other tech platforms. In response, the Internet Association, a trade association representing large tech companies, including the Company, Twitter, and Alphabet, endorsed a compromise bill that was more tightly focused on the sex trade, thus minimizing concerns that the bill would act as an impediment to other content housed by these platforms (Joshua Brustein. " [It's Getting Harder for Tech Companies to Deny Responsibility for Content.](#)" *Bloomberg*. November 7, 2017).

In March 2018, lawmakers voted to amend CDA 230 to allow more state and civil lawsuits against websites related to online sex trafficking for "knowingly assisting, supporting or facilitating" crimes. Although Senator Ron Wyden of Oregon, one of the original creators of CDA 230, opposed the recent amendments, he did strike a warning for technology companies, stating that if they "do not wake up to their responsibilities-- and use power 230 gives them-- to better protect the public against sex trafficking and countries that try to hack our political system, you bet that companies can expect (this legislation) will not be the last challenge for them" (Alina Selyukh. " [Section 230: A Key Legal Shield For Facebook, Google is About to Change.](#)" *NPR*. March 21, 2018). Further, in December 2019, Senators Marsha Blackburn, chair of the Senate Judiciary Committee's Tech Task Force, and Catherine Cortez Masto, introduced the [Eliminate Network Distribution of Child Exploitation Act](#) ("END Child Exploitation Act") which would lengthen the evidence preservation time for online child exploitation cases and assist law enforcement in prosecuting these crimes. Under the Act, technology platforms like the Company would be required to preserve evidence for 180 days (twice the current period) for reports of online child exploitation submitted to the CyberTipline, the country's core program for facilitating the reporting of online child sexual abuse content. The Act was reintroduced in February 2021.

In October 2021, the Company, Meta, Twitter, and TikTok answered questions from a parliamentary committee scrutinizing the British government's draft legislation to crack down on harmful online content. Facebook's head of safety stated that it supports regulation and has no business interest in providing people with an unsafe experience. The U.K.'s online safety bill calls for a regulator to ensure tech companies comply with rules requiring them to remove dangerous or harmful content. If the firms do not comply, they could face penalties worth up to 10% of their annual global revenue (" [Facebook Grilled by UK Lawmakers Making Online Safety Rules.](#)" *AP News*. October 28, 2021).

The European Parliament and EU member states reached a deal on the Digital Services Act ("DSA"), a landmark piece of legislation that aims to address illegal and harmful content online by requiring platforms to remove it quickly. Under this new bill, tech companies will be required under the DSA to implement new procedures designed to remove illegal material such as hate speech, incitement to terrorism, and child sexual abuse. Additionally, the DSA includes measures compelling tech firms to be more transparent concerning how their algorithms recommend content, and to require large online platforms and search engines to take certain measures in the event of a crisis, such as Russia's invasion of Ukraine. The DSA will also limit how digital companies target users with online ads, effectively stopping them from targeting users with algorithms using data based on gender, race, or religion, and prohibiting targeting children with ads. The DSA will also prohibit deceptive tactics designed to push people toward specific products and services. Failure to comply with the law may result in fines of up to 6% of a company's global annual revenues. The DSA is now subject to formal EU approval, and is expected to take effect as early as 2024 (Ryan Browne. " [EU Agrees on Landmark Law Aimed At Forcing Big Tech Firms to Tackle Illegal Content.](#)" *CNBC*. April 22, 2022).

There has been a specific emphasis from regulators concerning ensuring the safety of children using online platforms. For example, a bipartisan group of senators reintroduced the Kids Online Safety Act in early May 2023, and the new legislation featured updates to address concerns that the bill itself could inadvertently cause harm to young internet users. The bill defines specific harms that tech companies must mitigate, such as preventing the spread of posts that promote suicide, eating disorders, substance abuse, and other issues. The legislation would also require social media companies to undergo annual independent audits regarding their risks to minors and require them to enable the strongest privacy settings by default for children. The updated bill also features provisions to protect children's support services, such as the National Suicide Hotline and substance abuse groups, so that they wouldn't be unintentionally hampered by the bill's requirements. Critics of the legislation say the updates still do not do enough, and that an age verification mechanism and data collection on Americans of all ages is still required (Lauren Feiner. " [Lawmakers Update Kids Online Safety Act to Address Potential Harms, But Fail to Appease Some Activists, Industry Groups.](#)" *CNBC*. May 4, 2023). We note that the Company responded to congressional child online safety proposals with its own counteroffer in October 2023 by requesting regulators to stop pursuing such legislation. It claimed in a blog post that such approaches would block vulnerable teens from accessing helpful information online (Makena Kelly. " [Google Asks Congress to Not Ban Teens from Social Media.](#)" *The Verge*. October 16, 2023).

In July 2024, the U.S. Senate [passed](#) the Children and Teens' Online Privacy Protection Act. Although the Republican-led House did not bring KOSA to a vote in 2024, it suggested at a committee hearing in March 2025 that it planned to move

forward with new laws protecting children online (Jaspreet Singh. "[Meta Expands 'Teen Accounts' to Facebook, Messenger Amid Children's Online Safety Regulatory Push](#)." *Reuters*. April 8, 2025). However, both Meta and House Speaker Mike Johnson said that KOSA would violate First Amendment rights and lead to online censorship (Ruth Reader. "[How Mark Zuckerberg Is Flipping the Script on Kids' Safety Online](#)." *Politico*. April 20, 2025).

Meanwhile, the UK has introduced the [Online Safety Bill](#), a new set of laws to protect children and adults online, and it will make social media companies more responsible for their users' safety on their platforms. The [types of content](#) that the bill addresses and that platforms will need to remove include: child sexual abuse, controlling or coercive behavior, extreme sexual violence, hate crime, inciting violence, illegal immigration and people smuggling, promoting or facilitating suicide, sexual exploitation, terrorism, selling illegal drugs or weapons, and revenge porn. The law [affects](#) international companies by enabling [Ofcom](#), the UK's communications regulator, with the power to take appropriate action against all social media and tech companies, no matter where they are based, if they are accessible to UK users. The bill [protects children](#) by making social media platforms: (i) remove illegal content quickly or prevent it from appearing in the first place, which includes removing content promoting self-harm; (ii) prevent children from accessing harmful and age-inappropriate content; (iii) enforce age limits and age-checking measures; (iv) ensure the risks and dangers posed to children on the largest social media platforms are more transparent, including by publishing risk assessments; and (v) provide parents and children with clear and accessible ways to report problems online when they do arise.

Ofcom expects the "Children's Codes" will offer "transformational new protections," though some say they don't go far enough. Among the measures to be required are: (i) algorithms being adjusted to filter out harmful content from children's feeds; (ii) robust age checks for people accessing age-restricted content; (iii) taking quick action when harmful content is identified; (iv) making terms of service easy for children to understand; (v) giving children the option to decline invitations to group chats which may include harmful content; (vi) providing support to children who come across harmful content; (vii) a "named person accountable for children's safety"; and (viii) management of risk to children reviewed annually by a senior body. Companies failing to comply would face fines and, in serious cases, court orders to prevent the site or app from being available in the UK (Hafsa Khalil, Imran Rahman-Jones. "[Overhaul Algorithms and Age Checks or Face Fines, Tech Firms Told](#)." *BBC News*. April 24, 2025).

Several other bills related to children's online safety have also been introduced in the U.S. For example, the [Eliminating Abusive and Rampant Neglect of Interactive Technologies \("EARN IT"\) Act](#) was introduced in the House in 2023 and would revise the federal framework governing the prevention of online sexual exploitation of children, and establish the National Commission on Online Child Sexual Exploitation Prevention. The bill also includes provisions to limit the liability protections of interactive computer service providers regarding alleged violations of child sexual exploitation laws, among other things. Similarly, the [Strengthening Transparency and Obligations to Protect Children Suffering from Abuse and Mistreatment \("STOP CSAM"\) Act](#) was also introduced in 2023, and [reintroduced](#) in 2024, to revise the federal framework, specifically to broaden the scope of the mandatory reporting requirements, expand legal rights and courts services for minor victims and witnesses, and to expand reporting requirements for providers reporting of online sexual exploitation to the CyberTipline.

Further, the [Protecting Kids on Social Media Act](#), which requires social media platforms to verify the age of account holders and limits access by children, was introduced in the Senate in 2023. The bill also stipulates that social media platforms may not use or retain any information collected during the age verification process for any other purpose, and they must take reasonable steps to require affirmative consent from the parent or guardian of a minor who is at least 13 years old to create an account for the minor on the platform, as well as to provide the parent or guardian with the ability to revoke such consent. The proposed legislation also states that social media platforms may not use the personal data of an individual in an algorithmic recommendation system unless the individual is at least 18 years old, according to the platform's age verification process. It also requires the Department of Commerce to establish a voluntary pilot program to provide secure digital identification credentials for individuals to use when verifying their age on social media platforms.

Additionally, the [Revising Existing Procedures on Reporting via Technology \("REPORT"\) Act](#) passed the Senate and became law in May 2024. The Act changed the federal framework for reporting online child sexual exploitation, requiring providers to preserve the content of reports for a year (instead of the previous 90 days) and expanding reportable violations to include instances of child sex trafficking or coercion or enticement of a minor to engage in prostitution or any other illegal sexual activity, in addition to increasing maximum fines for violating providers.

In light of the above, we believe that this could potentially portend heightened risks for companies on account of the content created by their users.

RISKS CONCERNING CSAM

Regulatory and Reputational Risk

In recent years, there has been an intensified focus on preventing CSAM. For example, in the UK, Instagram was identified as the leading platform for child grooming by the UK's leading children's charity, NSPCC. The UK Department

for Digital, Culture, Media, and Sport published an ["Online Harms White Paper,"](#) which sets out expectations for companies and new legislative measures to ensure that the platforms remove illegal content and prioritize the protection of users, especially children, young people, and vulnerable adults (Zak Doffman. ["Instagram the Worst as Social Media Slammed as 'a Gateway for Child Abuse'."](#) *Forbes*. March 1, 2019).

Companies can also face reputational harm if they are seen as spreading inappropriate content. For example, YouTube (and its parent, the Company) have recently come under increased scrutiny after major companies started pulling their advertisements because of concerns over comments on videos of children. In the comments, posters often noted the time of the video in which children are in the most exploitative positions. In response, YouTube [posted](#) that it would remove and disable comments "on videos featuring young minors and videos featuring older minors that could be at risk of attracting predatory behavior," launch a new tool that better classifies comments and can identify and remove predatory behavior, remove accounts that made inappropriate comments and report illegal comments to the National Center for Missing & Exploited Children (Ryan W. Miller. ["YouTube to Ban Comments on Most Videos with Minors Amid Concerns of Child Exploitation."](#) *USA Today*. February 28, 2019). Further, in October 2018, Facebook announced that it had developed and implemented new AI and machine learning technology which removed 99% of content that violated its rules against child exploitation (Catherine Shu. ["Facebook Says It Removed 8.7M Child Exploitation Posts with New Machine Learning Tech."](#) *TechCrunch*. October 24, 2018).

In March 2020, several senators proposed a bill, Eliminating Abusive and Rampant Neglect of Interactive Technologies ("EARN IT" Act) that would establish a new government commission composed of administration officials and outside experts, who would set best practices for removing child sexual exploitation and abuse material online. The principles are theoretically voluntary, but if companies don't comply, they can be held legally responsible for that content, losing some protections provided by CDA 230. They can also maintain immunity if they establish that they have "other reasonable practices" in place. Prior to the bill's proposal, Facebook had stated that it was concerned the EARN IT Act may be used to roll back encryption and "may limit the ability of American companies to provide the private and secure services that people expect." Separately, the Justice Department unveiled 11 voluntary principles for preventing online child sexual exploitation, including both broad and specific commitments to which companies should adhere (Adi Robertson. ["Congress Proposes Anti-Child Abuse Rules to Punish Web Platforms — and Raises Fears About Encryption."](#) *The Verge*. March 5, 2020).

In response to new privacy rules promulgated in the EU, Facebook was forced to switch off some of its child abuse detection tools in Europe in December 2020. The new privacy directive bans automatic scanning of private messages, making the rule exclusive to messaging services, rather than to all the content uploaded to its platform. This has come with warnings from child protection advocates that the new privacy rules effectively ban automated systems scanning for child sexual abuse images and other illegal content. Other companies, including Microsoft, have not made such changes, arguing the most responsible approach is to keep the technology functioning. However, few companies deal with the sheer volume of private messages as Meta, given its Messenger and Instagram apps (["Facebook Child Abuse Detection Hit By New EU Rules."](#) *BBC News*. December 21, 2020). In January 2021, the National Society for the Prevention of Cruelty to Children called on the Company to resume scanning for indications of child abuse in the EU, arguing that Facebook had drawn the wrong conclusion and pointing to continued efforts from companies including Facebook and Microsoft to back up its assertion (Alex Hern. ["Facebook Admits Encryption Will Harm Efforts to Prevent Child Exploitation."](#) *The Guardian*. January 21, 2021).

The Australian eSafety Commissioner [released](#) a report in December 2022 that compiled information from Meta, Apple, WhatsApp, Microsoft, and others, regarding their answers to questions about how they were tackling [Basic Online Safety Expectations](#), a key element of the Online Safety Act. The report [confirmed](#) that if an account is banned on Facebook, the same user is not always banned on Instagram, and when a user is banned on WhatsApp, the information is not shared with Facebook or Instagram. It also confirmed that Apple and Microsoft were not attempting to proactively detect CSAM stored in iCloud and OneDrive services. Further, it noted that they were not using any technology to detect live-streaming of child sexual abuse in video chats on Skype, Microsoft Teams, or FaceTime. The report also discussed the wide disparities between how quickly companies responded to user reports of CSAM, and it stated that Apple did not offer in-service reporting.

More recently, several tech companies have come under scrutiny on account of the apps featured in their online stores. For example, in January 2024, the Company and Apple both removed the Wizz app from their app stores after the National Center on Sexual Exploitation reached out with concerns regarding sextortion and other online safety issues. Days after the app was reinstated in Apple's app store, the Canadian Centre for Child Protection warned parents to consider removing Wizz from their children's phones, saying it was a Tinder-like app for teens and that child sexual exploitation reports involving the app increased tenfold in 2023 compared to the previous year (Ben Goggin, Lora Kolodny. ["Canada's Child Safety Watchdog Warns Parents About Wizz, a Tinder-Like App for Teens."](#) *NBC News*. February 14, 2024).

Additionally, in June 2024, Thorn and NCMEC released a [report](#) on Trends in Financial Sextortion, an investigation into

sextortion reports in NCMEC CyberTipline data, which found that Instagram was the platform used for initial contact in 45.1% of the 576 reports it examined that explicitly mention an initial-contact platform. The second most used platform for initial contact was Snapchat at 31.6%, while Facebook was the third most used platform for initial contact at 7.1% (p.21). The Company (Google messaging products, primarily Google Chat) ranked second among platforms used as secondary destinations at 23.8%. Many of the tools used for secondary destinations share the ability to have end-to-end encrypted text messages, but another notable feature of platforms such as Google messaging apps and Telegram is that they can be operated using a desktop version, which may be preferred by perpetrators attempting to prove their persona by "spoofing" webcams (making a saved video appear as if it were a live video chat) (p.22). The investigation also found that in terms of threatened distribution of images associated with sextortion, Instagram and Facebook were the two platforms most used for such threats, at 60% and 33.7%, respectively, while YouTube came in third at 30.9%. Regarding platforms named in reports of actual distribution, Instagram appeared as the platform used in 81.3% of cases and Facebook in 7.8% (p.18).

Moreover, the former U.S. Surgeon General, Dr. Vivek Murthy, requested that Congress require warning labels on social media platforms, similar to mandatory warnings on cigarette boxes. Murthy stated that social media is associated with significant mental health harms for adolescents, and therefore, a surgeon general's warning label, which requires congressional action, should be used as a regular reminder to parents and adolescents that social media has not been proven safe (Michelle Chapman. "[Tobacco-Like Warning Label for Social Media Sought by US Surgeon General Who Asks Congress to Act](#)." *AP News*. June 17, 2024).

Legal Risk

In August 2023, a group of digital advocacy organizations, led by Fairplay, a nonprofit organization dedicated to ending marketing to children, filed a request for investigation with the FTC to examine whether YouTube engages in personal data collection of users watching "made for kids videos" that permit targeted ads. The request followed a report by Adalytics, an advertising research firm, which found that YouTube appeared to be tracking children across the internet based on ad campaigns on the platform. A similar complaint, also from a coalition led by Fairplay, in 2019 accused YouTube of violating the 1998 Children's Online Privacy Protection Act ("COPPA"), and resulted in a \$170 million settlement that year. According to an executive director at Fairplay, COPPA penalties can include fines of more than \$50,000 per violation, which could expose Google to billions in penalties (Isaiah Poritz. "[YouTube Accused of Violating Pact Against Tracking Kids for Ads](#)." *Bloomberg Law*. August 23, 2023). At the same time, U.S. Senators Edward Markey and Marsha Blackburn wrote to the chair of the FTC [requesting](#) an urgent investigation into YouTube and Google following reporting from *The New York Times* and Adalytics, which revealed that the companies potentially violated both their FTC Consent Decree and COPPA by tracking and targeting children on their platform without parental consent.

In October 2023, 42 state attorneys general sued Meta, claiming that its social media platforms Facebook and Instagram were addictive and are aimed at children and teens. The lawsuits from the bipartisan group of attorneys general consisted of a federal suit, which 33 states filed in the Northern District of California, as well as lawsuits from nine other attorneys general filed in their own states. The federal lawsuit criticized Meta's algorithms, alerts, notifications, and infinite scrolling features, keeping children and teens on the platforms, as well as their photo filters and like options that impact teens' mental health. Additionally, the federal suit claimed that Meta violated the Children's Online Privacy Protection Act when it collected personal data on users younger than 13 without parental consent (Lauren Feiner. "[Meta Sued by 42 Attorneys General Alleging Facebook, Instagram Features Are Addictive and Target Kids](#)." *CNBC*. October 24, 2023).

A federal court ruled in November 2023 that tech companies, including the Company, Meta, ByteDance, and Snap would have to proceed with a lawsuit filed by school districts regarding their social media platforms' impact on children's mental health. The judge noted that the first amendment did not shield the companies from liability because many of the claims related to "defects" in the platforms, though some of the "defects" in the suit were thrown out due to protection from the Communications Decency Act Section 230. Google responded that the claims against it were not true and that it offers age-appropriate experiences with robust controls for parents (Emma Roth. "[Social Media Giants Must Face Child Safety Lawsuits, Judge Rules](#)." *The Verge*. November 14, 2023).

The Senate Judiciary Committee subsequently criticized Meta in March 2024 for its 35-page response to questions from lawmakers following a January 2024 Congressional hearing on children's online safety. The committee emphasized that the panel had given Meta multiple extensions and had still only received answers to less than 10% of the questions that it had asked. Compared to the other companies that received requests for information from the Committee, Meta received the most time to provide its responses. According to the Senate Judiciary spokesperson, Josh Sorbe, Meta's CEO showed a lack of urgency and demonstrated that the firm was not committed to protecting kids online. However, Meta clarified that it had told the panel that due to the volume of requests, it would submit responses "on a rolling basis." Despite the backlash the firm received during the January hearing, its CEO was one of only two, along with the CEO of TikTok, to appear in person to provide testimony. The CEOs of Snap, X (fka Twitter), and Discord only appeared to testify after having been subpoenaed (Cristiano Lima-Strong. "[Senators Say Meta's Zuckerberg Is Slow-Walking Child Safety Inquiries](#)." *The Washington Post*. March 26, 2024). However, there was not a representative from Google or YouTube

scheduled to participate in the January hearing. Senator Richard Blumenthal stated that there had been discussions about Google or YouTube testifying, but he declined to comment further (Cristiano Lima-Strong. ["YouTube, Wildly Popular with Teens. Gets a Pass for Kids Safety Hearing."](#) *The Washington Post*. December 12, 2023).

More recently, the attorney general of Arkansas [filed a lawsuit](#) against the Company for [engaging](#) in deceptive and unconscionable trade practices in violation of the state's Deceptive Trade Practices Act. Specifically, the suit claimed that YouTube had deceived users and parents regarding the platform's safety for youth, with YouTube profiting off of young people in the state because the Company deliberately designed its platform to be addictive by using features to keep users engaged for as long as possible. Further, the lawsuit claims that the Company deliberately designed and marketed YouTube to exploit and addict young users, contributing to the state's mental health crisis. In 2023, the attorney general joined the coalition of 41 other attorneys general in sending a letter to Congress urging it to pass legislation requiring a U.S. Surgeon General warning label on all algorithm-driven social media platforms.

A federal court in the Northern District of California ruled in March 2025 that YouTube, Meta, Snap, and Tiktok weren't entitled to an immediate appellate review of claims that they violate public nuisance laws by addicting school-age children. The judge determined that the multi-district litigation ("MDL") involving 15 U.S. states would quickly fragment if the appeal was granted. The judge also rejected the companies' motion to dismiss, allowing school districts to advance their public nuisance legal theory (Bernie Pazanowski. ["Tech Giants Denied Prompt Appeal in Schools' Addiction Suit \(1\)."](#) Bloomberg Law. March 12, 2025). The Company also had 1,787 [pending actions](#) from plaintiffs regarding the MDL on mental health, as of May 2025. However, a California Superior Court judge for the County of Los Angeles ruled in June 2024 against the plaintiffs on similar claims, stating that there must be limits on liability, otherwise any company could be held responsible for "emotional harm" it inflicts on individuals who then "act out" (Bernie Pazanowski. ["Tech Giants Denied Prompt Appeal in Schools' Addiction Suit \(1\)."](#) Bloomberg Law. March 12, 2025).

For information regarding litigation and investigations related to the Company's approach to children's data privacy and targeted ads, please see our analysis in Proposal 12.

COMPANY DISCLOSURE

The Company discusses [fighting child sexual abuse online](#) on its website, stating that it is committed to fighting online child sexual abuse and exploitation and preventing its services from being used to spread child sexual abuse material ("CSAM"). It provides its [child safety toolkit](#) and [addresses](#) fighting abuse on its own platforms and services, including preventing abuse, detecting and reporting, and collaborating globally. The Company states regarding child sexual abuse on Search that it is its [policy](#) to [block](#) search results that lead to child sexual abuse imagery or material that appears to sexually victimize, endanger, or otherwise exploit children. It adds that it is constantly updating its algorithms to combat these evolving threats. Further, it explains that it applies extra protections to searches that it understands are seeking CSAM content. The Company also details YouTube's work to combat exploitative videos and materials, stating that its machine learning systems help to proactively identify videos that may put minors at risk and apply the Company's protections at scale, such as restricting live features, disabling comments, and limiting video recommendations. It also provides links to its [child safety policies](#), [restricting live features](#), and [YouTube priority flagger program](#).

It also provides a CSAM [Transparency Report](#), which discloses that there were 2,528,409 total pieces of content reported; 576,980 total reports sent to The National Center for Missing and Exploited Children ("NCMEC"); and 282,584 total accounts enforced (including but not limited to disabling or restricting access to services); 882,941 URLs reported or de-indexed; and 2,807,013 hashes contributed to the NCMEC database, all from July 2024 to December 2024. It also discloses its YouTube [child safety efforts](#). The Company further addresses [reporting inappropriate behavior](#) on its products, with information about [reporting content on YouTube](#), YouTube's [child safety policy](#) in its Community Guidelines, [preventing people from contacting children](#), its [Google Meet Help Center](#), and its [Safety Center](#).

Additionally, the Company [provides](#) information on developing and sharing tools to fight child sexual abuse, and discusses its alliances and programs to fund child safety research. It also maintains a blog regarding child safety, which includes discussions of how the Company [detects, removes, and reports](#) CSAM. It also maintains a new [commitment to digital wellbeing](#) for kids and teens, including a \$20 million pledge by Google.org to organizations that help kids build safe, healthy, productive relationships with technology. The Company also discusses its partnership with [Highlights](#) to talk about staying safe online, and it shares an [update](#) on its child safety efforts and commitments, including its strong support of several important bipartisan bills in the U.S., including the Invest in Child Safety Act, the Project Safe Childhood Act, the Report Act, the Shield Act, and the STOP CSAM Act.

The Company also discusses its [policy framework](#) to protect children and teens online, which [includes](#):

- Respecting the best interests and developmental stages of children and teens by:
 - Requiring online services to prioritize the best interests of children and teens in the design of their products;
 - Taking a risk-based approach when requiring age assurance; and
 - Increasing protections for teens between the age of parental consent and 18, in a manner that reflects their

increased maturity;

- Providing age-appropriate controls and features by:
 - Addressing the need for robust parental control options that also respect the increased abilities and autonomy of teens;
 - Requiring online services to take measures to support mental health and wellbeing for children and teens; and
 - Banning personalized advertising for children and teens;
- Reducing content risks while maintaining benefits by:
 - Requiring platforms to give teens and parents of children tools to manage the use of their online viewing and search history in personalized recommendations; and
 - Requiring platforms to take a responsible and transparent approach to developing and enforcing content policies; and
- Ensuring oversight and accountability by:
 - Using risk-based impact assessments to foster accountability;
 - Encouraging regulatory harmonization and global interoperability; and
 - Recognizing differences among services.

It also provides further details on [YouTube's principled approach](#) for children and teenagers.

The Company also notes in its response to this proposal that a number of recent regulatory frameworks include robust reporting requirements. For example, the EU's DSA requires the Company to make public a prescribed set of data on a regular basis, and also requires reporting and risk assessments related specifically to children using covered platforms. In addition, the EU's interim regulation to combat online child sexual abuse requires an annual transparency report. Further, the Company expects to file regular assessments under the UK Online Safety Act. Additionally, in 2023, the Company provided information for inclusion in Australia's eSafety Commissioner's report on online child safety (2025 DEF 14A, p.96).

Regarding board oversight, the [audit and compliance committee](#) reviews and discusses with management the Company's major risk exposures, including financial, operational, data privacy and security, competition, legal, regulatory, compliance, civil and human rights, sustainability, and reputational risks, as well as the steps the Company takes to prevent, detect, monitor, and actively manage such exposures.

■ RECOMMENDATION

We acknowledge the complexity inherent in managing issues as complex as child safety and the distribution of child exploitative content for a company with diverse business operations, such as the Company. At the same time, recent regulations have increased the level of legal and reputational risk related to this issue. Further, numerous investigations by the media have demonstrated the wide extent of this problem on the platforms maintained by the largest tech companies, including the Company. As such, management of this issue is of critical importance for companies involved in the distribution of digital media and messaging over the internet.

In this case, the Company provides ample disclosure about its efforts and technologies to fight child exploitation, including recent updates and enhancements to its efforts. For example, in its [CSAM Transparency Report](#), the Company provides information, which can be filtered in 6-month increments- going back to January 2020- and that includes data from Google and/or YouTube concerning: (i) total pieces of content reported to NCMEC; (ii) CyberTipline reports to NCMEC; (iii) accounts enforced for CSAM violations; (iv) accounts enforced by country (top ten); (v) URLs reported and de-indexed for CSAM from Google Search; and (vi) CSAM hashes contributed to the NCMEC database. We believe that this disclosure, which does not appear to be acknowledged by the proponent, sufficiently provides "quantitative metrics appropriate to assessing whether and how Alphabet/YouTube has improved its performance globally regarding child safety impacts and actual harm reduction to children on its platforms", as requested by this proposal. In light of this extensive quantitative reporting on the Company's efforts to combat CSAM, we are unconvinced that additional disclosure would meaningfully add to shareholders' understanding of how the Company is managing this issue.

We recommend that shareholders vote **AGAINST** this proposal.

COMPETITORS / PEER COMPARISON

	ALPHABET INC.	AMAZON.COM, INC.	META PLATFORMS, INC.	NETFLIX, INC.
Company Data (MCD)				
Ticker	GOOGL	AMZN	META	NFLX
Closing Price	\$152.75	\$193.06	\$592.49	\$1,140.22
Shares Outstanding (mm)	12,135.0	10,616.4	2,514.3	425.6
Market Capitalization (mm)	\$1,862,519.4	\$2,049,593.0	\$1,489,713.8	\$485,244.9
Enterprise Value (mm)	\$1,867,753.4	\$2,141,339.0	\$1,510,482.8	\$495,468.5
Latest Filing (Fiscal Period End Date)	03/31/25	03/31/25	03/31/25	03/31/25
Financial Strength (LTM)				
Current Ratio	1.8x	1.0x	2.7x	1.2x
Debt-Equity Ratio	0.08x	0.52x	0.27x	0.73x
Profitability & Margin Analysis (LTM)				
Revenue (mm)	\$359,713.0	\$650,313.0	\$170,360.0	\$40,173.3
Gross Profit Margin	58.6%	49.2%	81.8%	46.9%
Operating Income Margin	33.2%	11.0%	42.2%	27.7%
Net Income Margin	30.9%	10.1%	39.1%	23.1%
Return on Equity	34.8%	25.2%	39.8%	40.8%
Return on Assets	16.9%	7.6%	17.9%	13.8%
Valuation Multiples (LTM)				
Price/Earnings Ratio	17.0x	31.5x	23.2x	53.9x
Total Enterprise Value/Revenue	5.2x	3.3x	8.9x	12.3x
Total Enterprise Value/EBIT	15.7x	29.9x	21.0x	44.5x
Growth Rate* (LTM)				
5 Year Revenue Growth Rate	16.6%	17.0%	18.4%	13.4%
5 Year EPS Growth Rate	29.3%	42.4%	28.6%	33.8%
Stock Performance (MCD)				
1 Year Stock Performance	-9.4%	3.0%	24.4%	86.7%
3 Year Stock Performance	35.4%	80.5%	209.8%	554.1%
5 Year Stock Performance	122.2%	63.8%	182.0%	164.0%

Source: Capital IQ

MCD (Market Close Date): Calculations are based on the period ending on the market close date, 05/12/25.

LTM (Last Twelve Months): Calculations are based on the twelve-month period ending with the Latest Filing.

*Growth rates are calculated based on a compound annual growth rate method.

A dash ("-") indicates a datapoint is either not available or not meaningful.

VOTE RESULTS FROM LAST ANNUAL MEETING JUNE 7, 2024

RESULTS

NO.	PROPOSAL	FOR	AGAINST/WITHHELD	ABSTAIN	GLC REC
1.1	Elect Larry Page	98.01%	1.96%	0.03%	For
1.2	Elect Sergey Brin	98.01%	1.96%	0.03%	For
1.3	Elect Sundar Pichai	98.51%	1.45%	0.04%	For
1.4	Elect John L. Hennessy	83.04%	16.86%	0.10%	Against
1.5	Elect Frances H. Arnold	88.30%	11.66%	0.04%	Against
1.6	Elect R. Martin Chavez	99.23%	0.72%	0.05%	For
1.7	Elect L. John Doerr	86.23%	13.72%	0.05%	Against
1.8	Elect Roger W. Ferguson, Jr.	98.80%	1.15%	0.05%	For
1.9	Elect K. Ram Shriram	86.85%	13.10%	0.05%	Against
1.10	Elect Robin L. Washington	86.42%	13.50%	0.08%	Against
2.0	Ratification of Auditor	97.47%	2.49%	0.04%	For

SHAREHOLDER PROPOSALS*

NO.	PROPOSAL	FOR	AGAINST	GLC REC
3.0	Shareholder Proposal Regarding Shareholder Vote on Director Compensation	0.61%	99.39%	Against
4.0	Shareholder Proposal Regarding EEO Policy Risk Report	0.23%	99.77%	Against
5.0	Shareholder Proposal Regarding Report on Electromagnetic Radiation and Wireless Technologies	0.82%	99.18%	Against
6.0	Shareholder Proposal Regarding Disclosure of Director Donations	0.28%	99.72%	Against
7.0	Shareholder Proposal Regarding Report on Portfolio Risk in Employee Retirement Options	3.76%	96.24%	Against
8.0	Shareholder Proposal Regarding Lobbying Report	15.35%	84.65%	For
9.0	Shareholder Proposal Regarding Recapitalization	31.33%	68.67%	For
10.0	Shareholder Proposal Regarding Report on Reducing Misleading Content on Reproductive Health Care	6.44%	93.56%	For
11.0	Shareholder Proposal Regarding Amendment to Committee Charter to Require Oversight of AI	7.40%	92.60%	For
12.0	Shareholder Proposal Regarding Report on AI Misinformation and Disinformation	17.61%	82.39%	For
13.0	Shareholder Proposal Regarding Human Rights Impact Assessment of AI-Driven Targeted Advertising	18.56%	81.44%	For
14.0	Shareholder Proposal Regarding Targets and Report on Child Safety Impacts	14.24%	85.76%	Against

*Abstentions excluded from shareholder proposal calculations.

APPENDIX

GLASS LEWIS PEERS VS PEERS DISCLOSED BY COMPANY

GLASS LEWIS	GOOGL
Amazon.com, Inc.*	Cisco Systems, Inc
Apple Inc.*	Intel Corporation
AT&T Inc.	International Business Machines Corporation
Berkshire Hathaway Inc.	Netflix, Inc
Comcast Corporation*	Oracle Corporation
CVS Health Corporation	Salesforce, Inc
Exxon Mobil Corporation	
Meta Platforms, Inc.*	
Microsoft Corporation*	
Tesla, Inc.	
The Walt Disney Company*	
UnitedHealth Group Incorporated	
Verizon Communications Inc.	
Walmart Inc.	
*ALSO DISCLOSED BY GOOGL	

QUESTIONS

Questions or comments about this report, GL policies, methodologies or data? Contact your client service representative or go to www.glasslewis.com/public-company-overview/ for information and contact directions.

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PARTNER INSIGHTS

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About ESG Book

ESG Book is a global leader in sustainability data and technology. Launched in 2018, the company offers a wide range of sustainability-related data, scoring, and technology products that are used by many of the world's leading investors and companies. Covering over 35,000 companies, ESG Book's product offering includes ESG raw data, company-level and portfolio-level scores and ratings, analytics tools, and a SaaS data management and disclosure platform. ESG Book's solutions cover the full spectrum of sustainable investing including ESG, climate, net-zero, regulatory, and impact products. Read more on: www.esgbook.com.

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SUSTAINALYTICS ESG PROFILE

ESG Risk Rating



All data and ratings provided by:

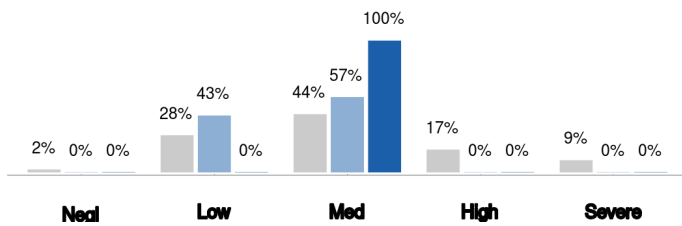


Data Received On: **May 13, 2025**

Rating Overview

The company is at medium risk of experiencing material financial impacts from ESG factors, due to its medium exposure and average management of material ESG issues. The company is noted for its strong corporate governance performance, which is reducing its overall risk. The company is noted for its strong stakeholder governance performance, which is reducing its overall risk. Despite its management policies and programmes, the company has experienced a high level of controversies.

ESG Risk Rating Distribution

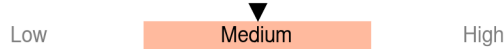


Relative Performance

	Rank*	Percentile*
Global Universe	6891 of 14638	48th
Software & Services (Industry Group)	661 of 939	71st
Internet Software and Services (Subindustry)	122 of 212	58th

* 1st = lowest risk

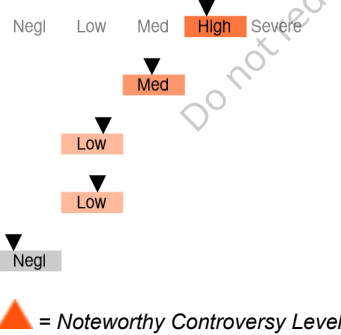
Exposure to ESG Risk



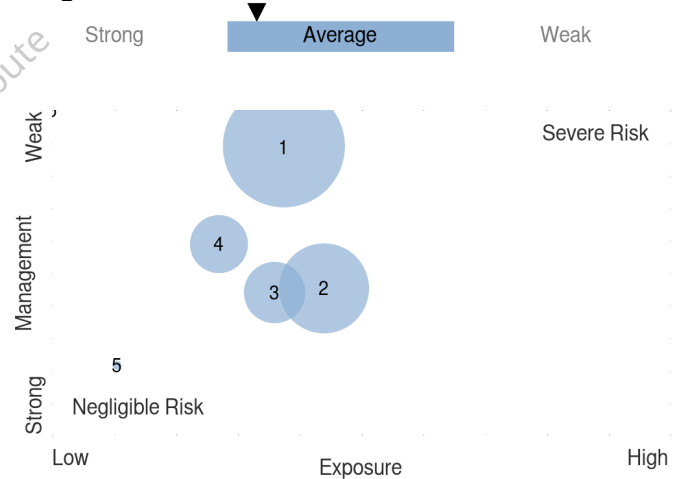
Top Material Issues

- 4 Business Ethics
- 3 Data Privacy and Security
- Human Capital
- 3 Product Governance
- Carbon - Own Operations

ESG Risk Rating



Management of ESG Risk



Risk Details

Exposure		
Company Exposure		The company's sensitivity or vulnerability to ESG risks.
Management		
Manageable Risk		Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.
Managed Risk		Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.
Management Gap		Measures the difference between material ESG risk that could be managed by the company and what the company is managing.
Unmanageable Risk		Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.
ESG Risk Rating		Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.
Overall Unmanaged Risk		

NOTEWORTHY CONTROVERSIES

SEVERE

The Event has a severe impact on the environment and society, posing serious business risks to the company. This category represents exceptional egregious corporate behavior, high frequency of recurrence of incidents, very poor management of ESG risks, and a demonstrated lack of willingness by the company to address such risks.

- No severe controversies

HIGH

The Event has a high impact on the environment and society, posing high business risks to the company. This rating level represents systemic and/or structural problems within the company, weak management systems and company response, and a recurrence of incidents.

- Anti-Competitive Practices

SIGNIFICANT

The Event has a significant impact on the environment and society, posing significant business risks to the company. This rating level represents evidence of structural problems in the company due to recurrence of incidents and inadequate implementation of management systems or the lack of.

- Data Privacy and Security

NO PRODUCT INVOLVEMENT



Alcoholic Beverages



Oil Sands



Arctic Drilling



Genetically Modified Plants & Seeds



Pesticides



Adult Entertainment



Gambling



Tobacco



Controversial Weapons



Thermal Coal

* Range values represent the percentage of the Company's revenue. N/A is shown where Sustainalytics captures only whether or not the Company is involved in the product.

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All data and ratings provided by:



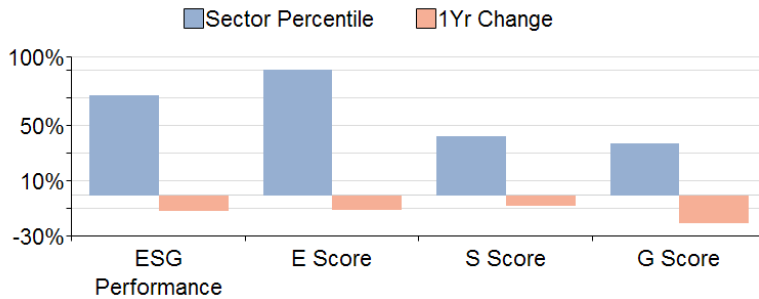
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ESG BOOK PROFILE

Summary of ESG Performance Score

All data and ratings provided by:

esgbook
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Country:	United States
Sector:	Technology Services
Industry:	Internet Software/Services
Data Received:	2025-03-04

ESG Performance Score Details

The ESG Performance Score provides investors and corporates with a systematic and comprehensive sustainability assessment of corporate entities. The score measures company performance relative to salient sustainability issues across the spectrum of environmental, social and governance. The score is driven by a sector-specific scoring model that emphasises financially material issues, where the definition of financial materiality is inspired by the Sustainability Accounting Standards Board (SASB). For more detail please see the [ESG Performance Score methodology here](#).

ESG Performance Score		Environmental	Social	Governance
Absolute Score	52.6	Score 61.8	48.9	46.7
Sector Percentile	72.4%	Weight 33.0%	44.3%	22.7%
1 Year Change	-11.7%	Sector Percentile 90.9%	43.1%	37.7%
2 Year Change	-19.4%	1 Year Change -11.0%	-7.5%	-20.6%
3 Year Change	-9.2%			

Risk Score Details

The Risk Score provided by ESG Book assesses company exposures relative to universal principles of corporate conduct defined by the UN's Global Compact. The score is accompanied by a transparent methodology and full data disclosure, enabling users to comprehend performance drivers, explain score changes, and explore associated raw data. Tailored for both investors and corporates, it serves as a universe selection tool for investors identifying companies more exposed to critical sustainability issues, while corporates can use it to assess their exposures, conduct peer comparisons, and pinpoint disclosure gaps. For more detail please see the [risk score methodology user guide here](#).

Risk Score		Human Rights	Labour Rights	Environment	Anti-corruption
Absolute Score	57.9	Score 57.7	55.6	61.3	57.2
Sector Percentile	86.2%	Weight 25.0%	25.0%	25.0%	25.0%
1 Year Change	-0.7%	Sector Percentile 92.0%	73.4%	89.8%	59.4%
2 Year Change	-15.0%	1 Year Change 15.3%	6.5%	-8.4%	-11.0%
3 Year Change	-5.4%				

Business Involvements - Over a 5% Revenue Threshold

ESG Book has not found any business involvements for the Company that exceed a 5% revenue threshold.

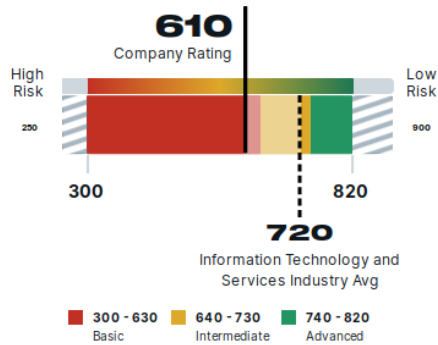
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BITSIGHT CYBERSECURITY RATING PROFILE

Alphabet Corporation

COMPARATIVE INDUSTRY:
Information Technology and Services

Bitsight Security Rating



Risk of Ransomware

This company is **4.6x more vulnerable to ransomware** than companies rated 750+



Source: [Link to Research](#)

Risk of Security Incidents

This company is **3.2x more vulnerable to security incidents** than companies rated 750+



Source: [Link to Research](#)

What is a BitSight Security Rating?

BitSight Security Ratings are a measurement of a company's security performance over time. BitSight Security Ratings are generated through the analysis of externally observable data, leveraging BitSight's proprietary techniques to identify the scope of a company's entire digital footprint. BitSight continuously measures security performance based on evidence of compromised systems, diligence, user behavior, and data breaches to provide an objective, evidence-based measure of performance. This data-driven approach requires no cooperation from the rated company. The Rating is representative of the cybersecurity performance of an entire company, including its subsidiaries, business units, and geographic locations. ¹ **This company has delegated security**

EXECUTIVE REPORT

All data and ratings provided by:

Data Received on: **May 13, 2025**

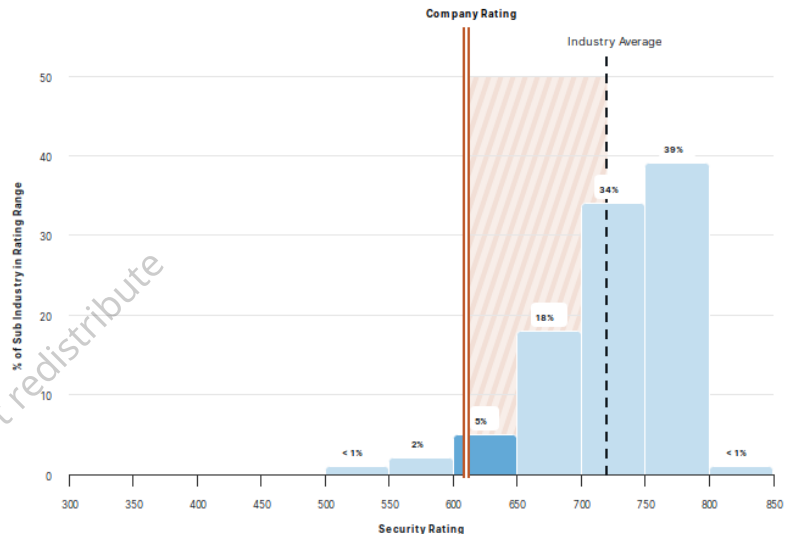
BITSIGHT

PEER ANALYTICS

This compares a company against its industry:

TOTAL COMPANIES
57,708

INDUSTRY RATING
Bottom 4% of the industry



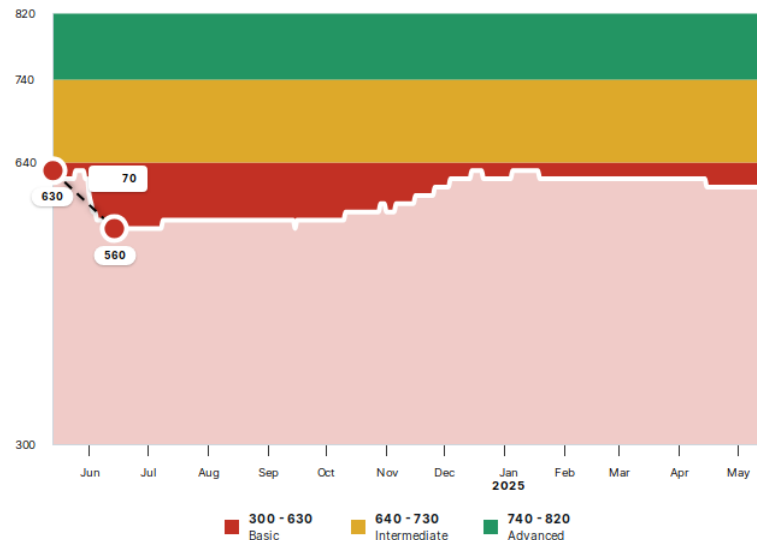
COMPANY RATING: **610 Basic**
INDUSTRY AVERAGE: **720 Intermediate**

PERFORMANCE OVER THE LAST 12 MONTHS

This rating change graph includes all rating changes events, including but not limited to, publicly disclosed security events.

HIGHEST
630 on May 13, 2024

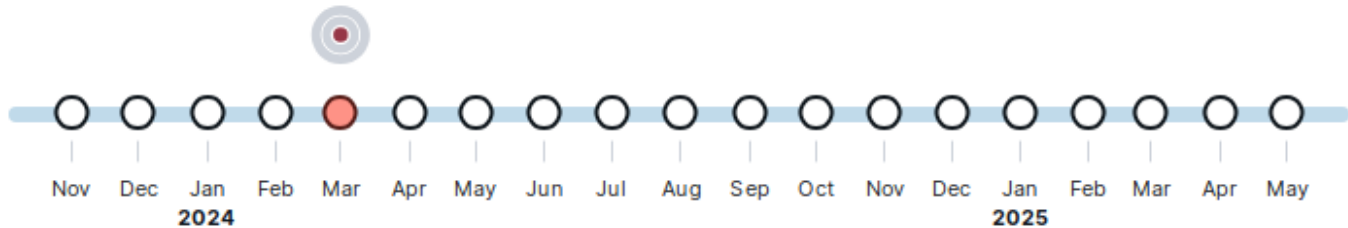
LOWEST
560 on Jun 14, 2024



controls, see disclaimer below for more details.

PUBLICLY DISCLOSED SECURITY INCIDENTS THE LAST 18 MONTHS

Security incidents are publicly disclosed events of unauthorized access, often involving data loss or theft. These events are graded based on several factors, including the number of data records lost or exposed.



General Security Incident

Severity: Minor 2/4

Public Discovery on Mar 1, 2024

Google - Corporate—a subsidiary of Alphabet Corporation: YX International servers were accessed by an unauthorized third-party, as the result of a database that was left unsecured.

ADDITIONAL INFORMATION

Security Rating Overview

BitSight Security Ratings are a measurement of a company's security performance over time. BitSight Security Ratings are generated through the analysis of externally observable data, leveraging BitSight's proprietary techniques to identify the scope of a company's entire digital footprint. BitSight continuously measures security performance based on evidence of compromised systems, diligence, user behavior, and data breaches to provide an objective, evidence-based measure of performance. This data-driven approach requires no cooperation from the rated company. The Rating is representative of the cybersecurity performance of an entire company, including its subsidiaries, business units, and geographic locations.

In some cases, a company may designate one or more subsidiaries, business units or locations as representative of the company's overall digital footprint. In these cases, BitSight flags those companies in its reports as a Primary Rating, meaning that the company has undertaken this optional step in further articulating its digital footprint.

Companies often use Primary Ratings to exclude parts of their digital infrastructure that may not be useful in describing their cyber risk and resulting security posture. As examples, Primary Ratings often exclude guest wireless networks, security test environments, or networks used for customer hosting. BitSight does not validate Primary Ratings or whether the digital assets organizations exclude in creating Primary Ratings are properly excluded, nor does it validate the predictive quality of Primary Ratings. Go to [this web page](#) for more information about Primary Ratings.

BitSight rates companies on a scale of 250 to 900, with 250 being the lowest measure of security performance and 900 being the highest. A portion of the upper and lower edge of this range is currently reserved for future use. The effective range as of this report's generation is 300-820. Go to [this web page](#) to learn more about how BitSight security ratings are calculated.

1 Delegated Security Controls Companies ("DCEs")

Companies that, in the normal course of business, delegate the control and allow their customers or the public to control some aspects of security for some of their IT assets can be classified as companies with delegated security controls. These companies may provide internet access or network resources-as-a-service, conduct internet scanning or threat research, or perform other business activities that place some aspects of cyber security beyond the companies' control.

To more accurately assess the security posture of companies with delegated security controls, Bitsight excludes findings in assets with delegated controls from the companies' security ratings. The same enterprise Bitsight ratings algorithm with the same set of risk vectors are used. This means that if you monitor or do business with them, you can consider their Bitsight rating to be a better measurement of their external security performance as a result of this updated approach.

Rating Algorithm Update (RAU)

BitSight periodically makes improvements to its ratings algorithm. These updates often include new observation capabilities, enhancements to reflect the rapidly changing threat landscape, and adjustments to further increase quality and correlation with business outcomes. BitSight's Rating and Methodology Governance Board governs these changes so that they adhere to BitSight's principles and policies. BitSight also has a Policy Review Board which reviews and arbitrates customer disputes associated with its ratings. More information about the Policy Review Board and its cases can be found [here](#). Additionally, BitSight provides a preview of ratings algorithm changes customers (and what the likely impact will be) well before they affect the live ratings, inviting comments and feedback on these changes.

Publicly Disclosed Security Incidents

The Security Incidents risk vector involves a broad range of events related to the unauthorized access of a company's data. BitSight collects information from a large number of verifiable sources such as news organizations and regulatory reports obtained via Freedom of Information Act requests or local analogs. This risk vector only impacts BitSight Security Ratings if a confirmed incident occurs. For more information about publicly disclosed security incidents and how BitSight ratings are calculated, [please go here](#).

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