

November 29, 2019

Dear Chair Hennessy,

The undersigned 83 institutional investors in Alphabet and Alphabet shareholder representatives, whose collective assets total US \$9.6 trillion, write to request a meeting to discuss how the Alphabet Board of Directors (“the Board”) oversees the management of real and potential societal impacts and the implementation of human rights standards across the Company’s product development, operations, and value chain.

As long-term shareholders in Alphabet Inc. (“Alphabet” or “the Company”) with fiduciary duties, our interests are well-aligned with the Company’s long-term value creation. It is in that spirit of alignment that we write. Given that sound management of environmental, social, and governance (“ESG”) issues can positively affect the financial performance of companies in our investment portfolios and mitigate short- and long-term investment risks, we have a vested interest in understanding how well companies manage material ESG issues—and whether their directors can comprehensively oversee this process and report to shareholders. Our expectations reflect the growing responsibility institutional investors such as ourselves have to conduct due diligence to ensure companies in our portfolios respect human rights and uphold the same high standards in all of their business relationships.

Given Alphabet’s size and the broad systemic influence its products and services have on society and individuals alike, the Company’s internal decisions can have far-reaching consequences. Mismanagement of this responsibility can result in significant business risks. As such, comprehensive oversight and management of such risks is imperative. With the Board’s accountability to shareholders and its responsibility to oversee the entirety of Alphabet’s complex businesses, it is in the best position to supervise how management is evaluating and mitigating potential societal risks and their human rights implications in a way that comprehensively protects the Company, its investors, and its stakeholders. Although we recognize that the Board acknowledges it must monitor such risks, we are concerned with the lack of transparency regarding how such society-wide issues—human rights issues especially—are monitored directly and managed proactively.

In particular, we are interested in understanding how Alphabet implements the United Nations Guiding Principles on Business and Human Rights (“UN Guiding Principles” or “UNGPs”), including how the Company identifies its salient human rights issues, and the Board’s approach to overseeing and managing risks related to data privacy, freedom of expression, and artificial intelligence (“AI”). For more information on our topics of interest can be found in the addendum to this letter.

Therefore, we request a meeting or conference call between you and the undersigned investors to dive deeper into how these material ESG issues are managed at the Company. We respectfully request a response to our meeting request by December 16, 2019. Please contact Danielle Essink at D.Essink@Robeco.nl to set up a conversation on this vital issue to investors.

Sincerely,


Danielle Essink
Robeco



Larisa Ruoff
The Sustainability Group of Loring, Wolcott & Coolidge



Dr. Christine Chow
Hermes EOS of Hermes Investment
Management



Rosa van den Beemt
NEI Investments

Alphabet Investor Signatories

Aberdeen Standard Investments
Achmea Investment Management
Adrian Dominican Sisters, Portfolio Advisory Board
American Baptist Home Mission Society
AMP Financial Services
Amundi
Andra AP-fonden (AP2)
AP3 Tredje AP-fonden
APG Asset Management
ASR Nederland NV
Aviva Investors
AXA Investment Managers
Azzad Asset Management
BBC Pension Trust Ltd
BMO Global Asset Management
Bon Secours Mercy Health
Boston Common Asset Management
British Columbia Investment Management Corporation (BCI)
Brunel Pension Partnership
Catholic Health Initiatives
Church of England pension
COMGEST
Congregation of St. Joseph
Dana Investment Advisors
Daughters of Charity, Province of St. Louise
de Pury Pictet Turrettini & Cie SA
Dignity Health
Domini Impact Investments LLC
Dominican Sisters ~ Grand Rapids
Everence and the Praxis Mutual Funds
Första AP-fonden (AP1)
Friends Fiduciary Corporation
Groupama Asset Management
Investec Asset Management
Investment Services Group
IWIinvestor
JLens Investor Network
Kempen Capital Management
Leadership Team of the Felician Sisters of North America
Legal & General Investment Management
LGPS
LGT Vestra
Livförsäkringsbolaget Skandia, ömsesidigt
Local Authority Pension Fund Forum (LAPFF)
Maryknoll Sisters
Mayar Capital
Mercy Investment Services, Inc.
Mirova
MP Pension
New Zealand Superannuation Fund
NN Investments
Nomura Asset Management
Northwest Coalition for Responsible Investment
NZ Funds
Öhman
Pacifica Partners Inc.
Parnassus Investments
PeaceNexus
PGGM Vermogensbeheer
Principal Global Investors
Providence St. Joseph Health
Region VI Coalition for Responsible Investment
River & Mercantile
RLAM
Servants of Jesus
Shareholder Association for Research and Education (SHARE)
Sisters of Mary Reparatrix
Sisters of St. Francis of Philadelphia
Sisters of the Presentation of the BVM of Aberdeen SD
Skandia Fonder AB
Socially Responsible Investment Coalition
Stichting Pensioenfondsen ING
Sycomore AM
Tareno AG
Trillium Asset Management
Trust Waikato
Vancity Investment Management
VFMC
Zevin Asset Management

Background

OUR APPROACH: We have made a meaningful attempt to engage the Company and its Directors on these issues

Like all business actors, investors like us share in the responsibility to uphold human rights under the United Nations Guiding Principles (“UNGPs”), as well as the Organization for Economic Co-operation and Development Due Diligence Guidelines for Multinational Enterprises. In practice, we conduct our own human rights due diligence under these and other emerging expectations, and assess material investment risks related to human rights by reviewing company disclosures, voting at shareholder meetings, reviewing news reports, and attending non-deal roadshows and investor calls. For example, a subset of the undersigned have attended Alphabet’s ESG Investor calls in September 2018, December 2018, and most recently in September 2019. These investors have made thorough preparations and respectfully submitted written questions prior to the calls when requested. In addition, signatories have worked together to put these issues before all shareholders and the Board at the 2019 Annual Meeting of Stockholders (“Annual Meeting”) and through direct communications to the Board. However, as our experience has collectively shown, neither the Board’s response to these attempts, nor the Company’s quarterly ESG calls were sufficient to meaningfully address the questions raised by investors. Similarly, a separate group of 95 investors wrote to Alphabet asking for a meeting to discuss the Company’s response to the livestreaming and dissemination of the Christchurch shooting, yet did not receive a response. Given the scale and complexity of the human rights-related topics to which Alphabet is exposed, and which we expect the Company to address, a stand-alone conversation is warranted.

Further, although a Company spokesperson attempted to reassure us during the September 2019 quarterly ESG call that the Board’s members are engaged and can provide adequate oversight, the low turnout of directors at the 2019 Annual Meeting has caused significant concern among investors. Only four out of the Company’s eleven directors attended the meeting, and the newly elected director Ms. Robin Washington was absent. Given that the Annual Meeting is one of the few opportunities for shareholders to engage directly with Alphabet’s senior leadership, including its two founders, we are keen to better understand what steps the Board is taking to encourage better director attendance and board-level communication between shareholders and directors. Given the shareholding structure of the Company, we expect the board to demonstrate that its independent directors can adequately represent the interests of unaffiliated investors like us.

OUR EXPECTATIONS: The Board must be accountable for managing human rights responsibilities

We seek to ensure that our portfolio companies fulfill their responsibility to respect human rights, in line with the UNGPs. Unanimously adopted by the UN Human Rights Council in 2011, the UNGPs have become the authoritative global framework on business and human rights. They clarify that all companies in all contexts have a responsibility to respect internationally recognized human rights—understood, at a minimum, as those expressed in the International Bill of Human Rights and the International Labor Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work.

The UNGPs request companies to undertake human rights due diligence and describe this as an ongoing and iterative process to identify, prevent, mitigate, and account for how a company addresses

the most severe risks to people in connection to its business. The core steps of human rights due diligence include: (1) assessing the actual and potential human rights impacts that may be caused by a business or to which it may contribute or be directly linked through its business relationships; (2) integrating and acting upon those findings; (3) tracking the effectiveness of those actions; and (4) publicly communicating the company's human rights policies, practices, and outcomes. Companies are also expected to develop and embed human rights policies across the business, enable remedy when impacts occur, and engage with stakeholders throughout all due diligence activities.

While Google mentions certain human rights in its Code of Conduct, which is applicable to its own operations, and mentions the Universal Declaration of Human Rights and the UNGPs in its Supplier Code of Conduct, the Company has not adopted a global, enterprise-wide commitment to respect internationally recognized human rights that reflects the standards established by the UNGPs. As a result, this leaves important policy commitment gaps that expose people within the Company's operations and value chain to a wide range of human rights risks.

Similarly, it appears that the Company maintains a number of [internal bodies](#) to assess ethical questions, yet it offers investors insufficient transparency regarding the responsibilities, reporting structure, or composition of each, and how they relate to one another. Recently, Alphabet—primarily through Google—has taken preliminary steps to disclose principles outlining how it addresses the societal impacts of its technologies. Most notably its *Artificial Intelligence (“AI”) Principles*, (“the Principles”) released after employees protested Alphabet's relationship with the military and contracts involving weapons systems, are a positive first step. However, the real work of interpreting, updating, and executing on the Principles requires the attention of independent board members and senior management, along with guidance from third parties—experts, academics, and ethicists. Moreover, the Principles appear to be guiding for entities only under the Google umbrella, rather than extending to all Alphabet technologies reliant on AI. Instead, we believe the Company must demonstrate it has enterprise-wide oversight of such risks.

We appreciate that the Company's subsidiaries are taking a number of bottom-up approaches to improve algorithms and strengthen AI oversight. However, to be effective, these bottom-up approaches at the subsidiary-level or below must be complemented by top-down, Alphabet-wide management of these issues. A holistic, enterprise-wide method of assessing and managing these risks appears to be lacking. Therefore, we would like to better understand the extent to which the Board is accountable for overseeing such risks.

OUR REQUEST: To ensure Alphabet is managing the associated risks, we seek additional information on the following:

AI GOVERNANCE MECHANISMS MUST ACCOUNT FOR BROADER SOCIETAL IMPLICATIONS AND RESPECT HUMAN RIGHTS

In general, we commend the Company's early efforts to publish a set of responsible [AI Principles](#), a [white paper](#) with use cases, its introduction of machine learning fairness education (“ML Fairness”), and its practice of pre-announcing changes in [search algorithms](#). The Company is strengthening [interpretability](#) and providing a [library of tools and testing components](#) to help developers become more aware of AI biases and actively [manage](#) them.

However, we seek clarity regarding how Alphabet's AI governance respects human rights and manages ethical quandaries:

- In algorithmic content moderation, the standards and processes that decide what content should be removed or maintained may give rise to human rights concerns, including in relation to freedom of expression and non-discrimination. What process does the Company use to set standards for content that is appropriate on its platforms, and what are the criteria which may render content subject to removal? **We would like to understand how ethical and human rights debates take place at the content moderation level.**
- Area four of the five key areas for clarification in the [AI paper](#) highlights the importance of human-AI collaboration. The unintended negative consequences of content moderation may go beyond biases and discrimination of users or subjects being evaluated. Thousands of human moderators are employed to review content; to tag objects for machines to learn. Some may be [temporary workers](#), vendors and contractors (“TVCs”), who have been fighting for living wages and basic benefits. Some work from home with flexible hours, but they lack peer support. Content moderators also reportedly experience [mental health](#) issues due to the content they need to review. We commend initial [efforts](#) to ensure that Google’s TVCs receive full benefits and living wages, yet we would like to **discuss how the Company would apply the UNGPs in a systematic manner to ensure that adequate support and effective grievance mechanisms are provided to individuals on a global, enterprise-wide scale.**

DATA PRIVACY RAISES SIGNIFICANT HUMAN RIGHTS AND SOCIETAL IMPLICATIONS THAT MUST BE MANAGED

We commend Alphabet for making data privacy and related instruments like notice, consent, and user control a specific part of its disclosures included in the Google AI Principles. Principle 5 of the seven [AI Principles for Google](#) states that *‘the company will give opportunity for notice and consent, and provide appropriate transparency and control over the use of data’*.

While we believe the Company has made efforts to become fully compliant with the European Union’s General Data Protection Regulation (GDPR), we would like to draw attention to [Recital 71](#) of GDPR - which states that *‘the data subject should have the right not to be subject to a decision, which may include a measure, evaluating personal aspects relating to him or her which is based solely on automated processing and which produces legal effects concerning him or her or similarly significantly affects him or her’* and that such processing includes *‘profiling’*, a form of proxy or categorisation that is based on *‘personal aspects relating to a natural person, in particular to analyse or predict aspects concerning the data subject’s performance at work, economic situation, health, personal preferences or interests, reliability or behaviour, location or movements’*. We also note that academics have called for the [right to reasonable inferences](#)¹, stressing the need to ensure accountability for inferences drawn from big data analytics that negatively impact privacy or reputation, or are unreliable in their predictive ability while being used in important decisions.

Accordingly, investors seek clarity regarding how Alphabet’s data privacy practices ensure respect for human rights:

- According to the [Princeton Web Transparency & Accountability Project](#), 76 percent of websites contain hidden Google trackers. Techniques like browser fingerprinting have raised concerns among civil society and investors alike on the use of inferred data—data collected passively or data that is not collected from users with their explicit consent. Even if anonymised at the point

¹ S Wachter and B Mittelstadt (2018) A Right to Reasonable Inferences: Re-Thinking Data Protection Law in the Age of Big Data and AI. *Columbia Business Law Review* 2019 (2)

of collection and transfer, the identity of the user or data subject may still be revealed after data aggregation with big data analytics.

- In 2018, [Privacy International](#) reported that 42.55 percent of free apps on the Google Play store could share data with Facebook, even in cases where users did not have a Facebook account.
- With interconnected digital technologies such as smart phones, smart watches, smart health devices and tablets, ‘meta-data’—data collected based on how a user interacts with its digital devices and applications on those devices through facial recognition, gesture recognition, and eyeball tracking technologies—may reveal and predict private and deeply sensitive information, contributing to profiling exercises, and may give rise to the risk of pricing or service discrimination. While meta-data aggregation applications might manifest commercially as tailor-made offerings, such inferred data often has not been validated by the data subject, nor is there a robust process that ensures reliability, accuracy, interrogability and auditability.

In particular, we would like to discuss **how the Company conducts human rights due diligence in line with the UNGPs to ensure that personal data, proxy data, predictive or profiling data and meta-data collected and shared with its customers are not exposed to the risk of excessive inferences and their consequences.** From a human rights perspective, we believe differentiated scrutiny should be applied to these different types of data depending on levels of sensitivity, variable identifiability over time and in different contexts, how the data can be collected and shared, as well as its end use cases.

THE SOCIETAL IMPLICATIONS OF VIOLENCE & EXTREMIST CONTENT MUST BE APPROPRIATELY ADDRESSED

In transmitting depictions of violence and extremist content such as the Christchurch shootings on its YouTube platform, Alphabet has damaged its social license to operate. There is genuine widespread interest, from a range of stakeholders including investors, for social media companies to play their role in bringing an end to the promotion of terrorism and violent extremism.

Alphabet’s Google subsidiary was an early supporter of the [Christchurch Call to Action initiative](#), and therefore, committed to certain specific actions. Investors seek additional information on:

- Publicly available information on how the Company has provided greater transparency in setting community standards or terms of service regarding how to tackle extremist content;
- Actions taken to enforce community standards including references to help stakeholders understand the efficient complaints and appeals process for those wishing to contest the removal of their content or a decision to decline the upload of their content;
- The immediate, effective measures to mitigate the specific risk that terrorist and violent extremist content is disseminated through livestreaming. We are aware of the watch time as a metric for performance measurement, but we would appreciate further details;
- The timeline for regular and transparent public reporting, in a way that is measurable and supported by clear methodology, on the quantity and nature of terrorist and violent extremist content being detected and removed; and
- Disclosure on collaborative efforts with stakeholders to fight online extremism.

We hope this letter clarifies our concerns that issues of data privacy, AI governance and content governance pose material risks to Alphabet and must be proactively managed by the Board of Directors to protect the Company, its shareholders, and society as a whole. We look forward to your response.