April 12, 2022

Jeffrey D. Karpf  
Cleary Gottlieb Steen & Hamilton LLP  

Re: Alphabet Inc. (the “Company”)  
   Incoming letter dated February 1, 2022  

Dear Mr. Karpf:  

This letter is in response to your correspondence concerning the shareholder proposal (the “Proposal”) submitted to the Company by Mari Fennel-Bell et al. for inclusion in the Company’s proxy materials for its upcoming annual meeting of security holders.

The Proposal requests that the board commission a report assessing the siting of Google Cloud Data Centers in countries of significant human rights concern, and the Company’s strategies for mitigating the related impacts.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal transcends ordinary business matters and does not seek to micromanage the Company.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(10). Based on the information you have presented, it appears that the Company’s public disclosures do not substantially implement the Proposal.

Copies of all of the correspondence on which this response is based will be made available on our website at https://www.sec.gov/corpfin/2021-2022-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: Christina O’Connell  
     SumOfUs
February 1, 2022

VIA E-MAIL (shareholderproposals@sec.gov)

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, DC 20549

Re: Shareholder Proposal Submitted by SumOfUs on behalf of Mari Fennel-Bell (lead) and Nina Wouk, Peter Meyer, Anita Fellman, Chad Eberle, and Aaron Strauss

Ladies and Gentlemen:

We are writing on behalf of our client, Alphabet Inc., a Delaware corporation ("Alphabet" or the "Company"), pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to notify the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") of the Company’s intention to exclude the shareholder proposal (the "Proposal") and supporting statement (the "Supporting Statement") submitted by SumOfUs on behalf of Mari Fennel-Bell (lead) and Nina Wouk, Peter Meyer, Anita Fellman, Chad Eberle, and Aaron Strauss, as co-filers (the "Proponents" and each a "Proponent"), by letter received December 17, 2021, from the Company’s proxy statement for its 2022 annual meeting of shareholders (the "Proxy Statement").

In accordance with Section C of SEC Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D"), we are emailing this letter and its attachments to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponents as notice of the Company’s intent to omit the Proposal from the Proxy Statement. The Company expects to file its definitive Proxy Statement with the Commission on or about April 22, 2022, and this letter is being filed with the Commission no later than 80 calendar days before that date in accordance with
Rule 14a-8(j). Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponent elects to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponents that if the Proponents submit correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to the undersigned on behalf of the Company.

THE PROPOSAL

The Proposal and Supporting Statement are attached hereto as Exhibit A. The Proposal states:

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

BASIS FOR EXCLUSION

In accordance with Rule 14a-8(i)(7), we hereby respectfully request that the Staff confirm that no enforcement action will be recommended against the Company if the Proposal and the Supporting Statement are omitted from the Proxy Statement for the following reasons:

1. The Proposal may be omitted pursuant to Rule 14a-8(i)(7) because the Proposal concerns the Company’s ordinary business operations; and
2. The Proposal may be omitted pursuant to Rule 14a-8(i)(10) because the Company has already substantially implemented the Proposal.

ANALYSIS

I. Under Rule 14a-8(i)(7), the Proposal may be omitted because it deals with matters relating to the Company’s ordinary business.

A. Overview of Rule 14a-8(i)(7)

Rule 14a-8(i)(7) permits a company to exclude a shareholder proposal if it “deals with a matter relating to the company’s ordinary business operations.” According to the Commission, the term “ordinary business” refers to matters that are not necessarily “ordinary” in the common meaning of the word, but instead the term “is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company’s business and operations.” Exchange Act Release No. 34-40018 (May 21, 1998) (the “1998 Release”). In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management
and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting.” Id.

There are two central components of the ordinary business exclusion. First, as it relates to the subject matter of the proposal, “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” Id. The Commission has differentiated between these ordinary business matters and “significant social policy issues” that “transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.” Id. The latter is not excludable as pertaining to ordinary business matters, and in assessing whether a particular proposal raises a “significant social policy issue,” the Staff will review the terms of the proposal as a whole, including the supporting statement. Id.

Second, as it relates to the implementation of the subject matter of the proposal, the ability to exclude a proposal “relates to the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” Id. The Staff noted in Staff Legal Bulletin No. 14K (Oct. 16, 2019) (“SLB 14K”) that a proposal micromanages a company where it “seeks intricate detail or imposes a specific strategy, method, action, outcome or timeline for addressing an issue, thereby supplanting the judgment of management and the board.”

A shareholder proposal being framed in the form of a request for a report does not change the nature of the proposal. The Staff reiterated this position in SEC Staff Legal Bulletin No. 14E (Oct. 27, 2009) (“SLB 14E”) when discussing proposals relating to an evaluation of risk by the Company, stating that “similar to the way in which [it] analyze[s] proposals asking for the preparation of a report, the formation of a committee or the inclusion of disclosure in a Commission-prescribed document — where [the Staff] look[s] to the underlying subject matter of the report, committee or disclosure to determine whether the proposal relates to ordinary business — [the Staff] will consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company.” See also Johnson Controls, Inc. (Oct. 26, 1999).

More recently, in Staff Legal Bulletin No. 14L (Nov. 3, 2021) (“SLB No. 14L”), the Staff rescinded prior guidance that a company may exclude a shareholder proposal in respect of its ordinary business operation if the proposal did not raise a significant policy issue of the company. The Staff stated that it will instead look to whether the policy issue may have broad societal impact such that it transcends the ordinary business of the company, regardless of nexus between the issue and the company’s business. In explaining the change, the Staff noted, “[W]e have found that focusing on the significance of a policy issue to a particular company has drawn the Staff into factual considerations that do not advance the policy objectives behind the ordinary business exception,” which “did not yield consistent, predictable results.”

In addition, in SLB No. 14L, the Staff provided guidance on its position on micromanagement when evaluating requests to exclude a proposal on that basis under the ordinary business exception. The Staff reiterated that it does not view proposals that seek detail or seek to promote timeframes or methods as per se micromanagement. Instead, the Staff will
focus on the level of detail and granularity sought in the proposal and may look to well-established frameworks or references in considering what level of detail may be too complex for shareholder input. The Staff also noted that it will look to the sophistication of investors generally, the availability of data and the robustness of public discussion in considering whether a proposal’s matter is too complex for shareholders, as a group, to make an informed judgment.

B. The Proposal may be excluded under Rule 14a-8(i)(7) because it relates to the location of the Company’s data centers and the Company’s strategies for mitigating policy concerns, which directly concern the Company’s ordinary business operations.

1. Despite the human rights aspect of the request, the Proposal in essence seeks to oversee and manage the Company’s decisions regarding the locations of its data centers and business operations, which are fundamental to the Company’s ordinary business and to management’s ability to run the company on a day-to-day basis.

The Staff has consistently concurred with the exclusion of shareholder proposals that involve determinations related to the location of a company’s operations. A company’s decision-making process regarding whether to expand or relocate its business operations to or from any specific location is necessarily complex, involving the evaluation of many factors and a variety of risks. While human rights, labor and employment laws and other similar issues are important, those are not the only considerations and analyses that management must undertake when making decisions that so centrally impact the Company’s operations and where those operations are located. In both International Business Machines Corporation (Jan. 9, 2008) and General Electric Company (Jan. 9, 2007), the Staff concurred with the exclusion of proposals to establish independent committees to report on the potential damage to the respective company’s name and reputation as a result of its operations in China, and to make the report available to shareholders. In both cases, the companies argued that the proposal was excludable under Rule 14a-8(i)(7) because it implicated business decisions made in each company’s day-to-day operations (including decisions relating to the location of its operations in that country), which decisions were essential to management’s ability to run the company on a day-to-day basis. See also Sempra Energy (Jan. 12, 2012, recon. denied Jan. 23, 2012) (permitting exclusion of a proposal that requested that the board review and report on the company’s management of political, legal, and financial risks posed by the company’s operations in “any country that may pose an elevated risk of corrupt practices” because the “underlying subject matter of [such] risks appears to involve ordinary business matters”) and The Hershey Co. (Feb. 2, 2009) (permitting exclusion of a proposal that requested the company to manufacture products in the United States and Canada that were sold in those countries, where the proposal raised concerns about the reputational risk associated with the company’s decision to locate manufacturing facilities in Mexico, on the grounds that decisions regarding the location of manufacturing operations related to the company’s ordinary business operations).

The Proposal requests that the Board publish a report assessing the decision to establish data centers in certain countries and the Company’s strategies for mitigating the significant human rights concerns in those countries. The Proponents attempt to frame the Proposal as a social policy issue by expressing concerns about restrictive foreign government control of internet activities, and in particular, concern about “the plan to locate a Google Cloud Data Center in Saudi Arabia” because they assert that there is “highly restrictive Saudi control of
all internet activities and . . . pervasive government surveillance, arrest, and prosecution of online activity.” However, the core of the Proposal focuses on detailed disclosure of how the Board and management make decisions with respect to the location of the Company’s operations, which fundamentally implicates ordinary business considerations and has been historically held excludable under Rule 14a-8(i)(7). When making business decisions about where to locate data centers, the Company and management consider a number of important factors, including human rights and security, as well as how to optimize the Company’s overall data infrastructure so as to provide a high level of performance and reliability. The countries identified in the Proposal are located in two of the four regions where the Company announced it would be opening additional data centers, regions that also include Australia and Canada. The Company already owns and operates data centers in the U.S., Europe, South America, and Asia, and with the addition of those four regions, would have a total global footprint of 29 regions. Selection of data center sites around the world is critical to the Company’s ability to further grow its business, reach a broader customer base and provide more local support for the Company’s users around the world. All of these are intricately tied to the Company’s day-to-day business operations.

As the Proponents noted, the Company acknowledges that human rights is one (of many) considerations when making a decision on sites of operations and data centers and that the Company has already publicly shared its “strategies for mitigating the related impacts [of . . . siting . . . Google Cloud Data Centers in countries of significant human rights concern[,] specifically, Saudi Arabia],” which is what the Proponents are requesting in the Proposal: in a letter made available to the public in response to queries from human rights organizations dated February 12, 2021 (the “Response Letter”), a copy of which is attached as Exhibit B, the Company disclosed that in accordance with its standard practices, “an independent human rights assessment was conducted for the Google Cloud Region in Saudi Arabia, and Google took steps to address matters identified as part of that review.” This approach is consistent with the Company’s Human Rights Policy, which the Proponents cite in their Supporting Statement (“In everything we do, including launching new products and expanding our operations around the globe, we are guided by internationally recognized human rights standards.”). The Company makes this information public because it believes in transparency and keeping key stakeholders abreast of the Company’s ongoing work. However, at their core, these decisions—over where to build and operate data centers around the world and how to mitigate social issues such as human rights risks in some of the areas in which the Company provides services—are clearly “tasks . . . so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” The 1998 Release. The considerations, assessments and business decisions in regards to the location of the Company’s operations around the globe, and the Company’s ability to adequately serve its users in all of the markets in which the Company provides services, are strictly within the realm of the Company’s fundamental day-to-day operations. As such, this Proposal directly relates to the Company’s investments in land and buildings for data centers and offices (which, as a technology and data company, are a regular and key component of the Company’s infrastructure strategy and overall business), and is a clear example of a proposal that may be excluded because it relates to the Company’s day-to-day management.
2. **Requiring an assessment of the Company's strategies to mitigate the impact of siting data centers in countries with human rights concerns would “micromanage” the Company, supplanting the judgment of management and the Board.**

The Staff has long recognized that proposals that focus on governing business conduct with regard to internal operating policies and legal compliance programs interfere with management’s judgment, thus may be excludable under Rule 14a-8(i)(7). In *Verizon Communications Inc.* (Feb. 13, 2009), the proponent requested that the board issue a report that examined the impact of “the company’s Internet network management practices” given the policy concerns regarding the “public’s expectations of privacy and freedom of expression on the Internet.” There, the company argued that developing and implementing policies concerning privacy and information access were not only basic management functions, but due to evolving laws and technology, were fundamentally “of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” 1998 Release.

Further, the company asserted that processes to address the protection of customer information are, at heart, customer relation matters, a position with which the Staff previously agreed. See, e.g., *Bank of America Corporation* (Feb. 21, 2006) (permitting exclusion of a proposal seeking a report on policies and procedures for protecting customer information pursuant to Rule 14a-8(i)(7)); *Bank of America Corporation* (March 7, 2005) (same); and *Citicorp* (Jan. 8, 1997) (permitting exclusion of a proposal that requested a report on policies and procedures to monitor illegal transfers through customer accounts, noting that the proposal covered regular customer relationship policies and procedures). While the Proponents claim in their Supporting Statement that “the [C]ompany’s decisions regarding siting of cloud data centers in human rights hotspots are occurring behind closed doors,” the Company has provided information and transparency about how it takes these exact human rights concerns into account. In addition to the disclosures discussed above, the Company provided links in its Response Letter to its validated privacy standards, which are certified by independent auditors, as well as to its current policy on how to handle and respond to government requests for access to data. The Company has also emphasized its longstanding commitment to “respecting the rights enshrined in the Universal Declaration of Human Rights and its implementing treaties, as well as to upholding the standards established in the United Nations Guiding Principles on Business and Human Rights and in the Global Network Initiative Principles.” Furthermore, the Company publishes on its website its Policy Against Modern Slavery and a separate 2020 Statement Against Modern Slavery, in which the Company disclosed that it “began an enterprise-wide modern slavery risk assessment” that concluded in 2021. The 2020 Statement Against Modern Slavery, attached as Exhibit C, describes the Company’s work surrounding risk assessment, due diligence, training, internal management, accountability and programs, and assessing and reporting on effectiveness of its anti-modern slavery policies. The Company also maintains a separate Human Rights page on its website at [http://about.google/human-rights/](http://about.google/human-rights/) (“Google Human Rights Policy”) that details its executive oversight and board governance over its Human Rights Program, which includes due diligence, risk management and engagement with external experts and affected stakeholders, and its transparency initiatives, including its Google Transparency Report hub, which “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.”
Despite the wealth of relevant disclosures that the Company has already published, the Proponents request even more specific information and data about the Company’s assessments and decision-making process. Specifically, the Proponents request comprehensive disclosure of “the scope, implementation, and robustness of the [Company’s] human rights due diligence processes on siting of cloud computing operations,” and a complete assessment of how the Company has considered, analyzed and made decisions regarding “the rights enshrined in the Universal Declaration of Human Rights, the standards established in the United Nations Guiding Principles on Business and Human Rights (UNGPs) and in the Global Network Initiative Principles (GNI Principles), the priorities and potential impacts on people, mitigating actions, tracking of outcomes, and whether the company identifies and engages stakeholders to ensure that its human rights efforts are well informed.” The Proposal says that the Proponents are “concerned” with the decisions that the Company has made with respect to the location of its data centers and operations, suggesting a desire to override the decision-making of management. These statements reflect the Proponents’ desire to micromanage the Company’s operations by auditing management with respect to each decision made in connection with choosing to build and operate a data center in Saudi Arabia, as well as other places, including decisions relating to mitigation of human rights violations, management of government requests for access to data and implementation of broader privacy and information access policies. Management appropriately has discretion in how to navigate these complex issues. See AT&T Inc. (Jan. 30, 2017) (permitting exclusion of a proposal that requested a report covering the company’s policies on privacy and civil rights and their consistency with its cooperation U.S. law enforcement investigations, because it related to “procedures for protecting customer information”).

The location and establishment of data centers are central to the management functions of the Company, and the Proposal inappropriately “probes too deeply into matters of a complex nature” on which shareholders are “in [no] position to make an informed judgment,” SLB 14K, and attempts to “micromanage” the day-to-day ordinary business decisions of management. Thus, the Proposal should be excludable under Rule 14a-8(i)(7).

C. The Proposal may be excluded under Rule 14a-8(i)(7) because it does not transcend the Company’s ordinary business operations.

The Proposal does not present any significant policy issues that transcend the day-to-day nature of the Company’s ordinary business operations. By making references to government action against online activity in Indonesia, Qatar, India and Saudi Arabia, the Proponents attempt to focus the Proposal on the significant policy issue of human rights. However, referring to a significant policy issue does not alter the ordinary business focus of the Proposal. In TJX Companies, Inc. (Apr. 9, 2021), the Staff concurred with the exclusion of a proposal requesting that the company produce a report to shareholders evaluating whether the company was supporting systemic racism through undetected supply chain prison labor. The company argued that despite the proposal’s reference to “systemic racism,” it was primarily focused “on how the [c]ompany manage[d] its supplier relationships, including how it monitor[ed] its suppliers’ compliance with existing [c]ompany business and ethics standards and policies.” As such, the company asserted that the proposal did not focus on a significant policy issue that transcended the company’s ordinary business operations. The company noted that the company was already “committed to taking purposeful action to support racial justice and equity” and that the proponent’s attempt to “reframe the scope of the [p]roposal by including
limited references to ‘systemic racism’ […] neither shift[ed] the underlying thrust and focus of the [p]roposal nor [did it] transcend the [c]ompany’s ordinary business operations.” The Staff concurred with the exclusion of the proposal, noting that “although the [p]roposal refers to systemic racism through undetected supply chain prison labor, the [p]roposal acknowledges that the [c]ompany already prohibits prison labor and does not otherwise explain how its compliance program raises a significant issue for the [c]ompany.”

Here, the Supporting Statement requests a report that would “examine the scope, implementation, and robustness of the company’s human rights due diligence processes on siting of cloud computing operations,” including “the priorities and potential impacts on people, any mitigating actions, any tracking of outcomes, and whether the company identifies and engages rights-holders to ensure that its human rights efforts are well informed.” The Supporting Statement fails to mention that in the Response Letter, the Company stressed that the Cloud region in Saudi Arabia was of “limited scope” and focused on the cloud enterprise business rather than consumer services. Further, as noted above, the Company also provided links to its certified and validated privacy standards, as well as its existing policy on requests from governments for access to data, all of which address the human rights concerns raised by the Proposal.

In SLB 14C, the Staff clarified its approach to determining whether the focus of a proposal is a significant social policy issue. Considering both the proposal and the supporting statement as a whole, the Staff made a distinction between a proposal and supporting statement that “focus on the company engaging in an internal assessment of the risks or liabilities that the company faces as a result of its operations that may adversely affect the environment or the public's health” and those that “focus on the company minimizing or eliminating operations that may adversely affect the environment or the public’s health.” In the former case, the Staff concurred with the view that there would be a basis for excluding such proposal under Rule 14a-8(i)(7) as “relating to an evaluation of risk.” Id. In the latter case, the Staff did not concur. While the Proposal discusses human rights violations in certain countries, the mention of social issues does not transform the Proposal, which focuses on management decisions regarding the location of the Company’s data center operations and the implementation of its privacy and information access policies in those locations, into one that pertains to “high-level direction on large strategic corporate matters” that the Staff confirmed in SLB 14L warrants shareholder oversight and vote.

D. Where part of the Proposal implicates ordinary business matters, the entire proposal must be excluded under Rule 14a-8(i)(7).

The Staff has previously concurred with the exclusion of proposals that relate to ordinary business decisions even where such proposal alludes to a significant social policy issue. In The Walt Disney Co. (Jan. 8, 2021), the proposal requested that the company commission a report “assessing how and whether [the company] ensures [its] advertising policies are not contributing to violations of civil or human rights.” The Staff concurred that the proposal was excludable under Rule 14a-8(i)(7) as relating to ordinary business matter, though the proposal raised concerns that the company’s policies were “contributing to the spread of racism, hate speech, and disinformation.” Similarly, in Wal-Mart Stores, Inc. (Mar. 15, 1999), the proposal requested that the board of directors report on the company’s “actions to ensure it does not purchase from suppliers who manufacture items using forced labor, convict labor, or child labor
or who fail to comply with laws protecting their employees’ wages, benefits, working conditions, freedom of association and other rights.” In concurring with the company’s request to exclude the proposal under Rule 14a-8(i)(7), the Staff noted “in particular that, although the proposal appears to address matters outside the scope of ordinary business, […] the description of matters to be included in the report relates to ordinary business operations.” See also Foot Locker, Inc. (Mar. 3, 2017) (permitting the exclusion of a proposal entitled “Supplier Labor Standards” that took issue with violations of human rights in overseas operations, child labor and “sweatshop” conditions, where two out of four recitals addressed human rights in the company’s relationship with suppliers and their subcontractors).

As discussed above, although the Proposal and Supporting Statement refer to human rights violations in Indonesia, Qatar and Saudi Arabia, neither asserts that the Company’s Google Cloud segment, which operates the data centers violates human rights or criticizes the Company’s existing security and privacy policies, processes, and initiatives relating to the Company’s management of requests from governments for access to data and the related risks. Thus, the primary focus of the Proposal is on the Company’s decision-making process and policy implementation with regard to the locations of its data centers, which deal with multiple matters relating to the Company’s ordinary business operations.

For the foregoing reasons, the Company respectfully requests the Staff’s concurrence in the omission of the Proposal pursuant to Rule 14a-8(i)(7).

II. Under Rule 14a-8(i)(10), the Proposal may be omitted because the Company has substantially implemented the Proposal.

A. Rule 14a-8(i)(10) background

Pursuant to Rule 14a-8(i)(10), a company is permitted to exclude a shareholder proposal if the company has already substantially implemented the proposal. The purpose of this rule, as set forth by the Commission, is to “avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” See Exchange Act Release No. 34-20091 (Aug. 15, 1983) (the “1983 Release”); Exchange Act Release No. 34-12598 (July 1976) (the “1976 Release”). The Commission has clarified that the proposal’s requested actions do not need to be “fully effected” or implemented exactly as presented for a company to exclude the proposal under Rule 14a-8(i)(10); instead, the actions called for by the proposal need only be “substantially implemented.” See 1983 Release. Whether a proposal has been “substantially implemented” by a company “depends on whether its particular policies, practices and procedures compare favorably with the guidelines of the proposal.” Texaco, Inc. (Mar. 28, 1991).

The Staff has routinely concurred with the exclusion of proposals requesting reports if the company has already provided the requested information in existing public disclosures, and as a result, substantially addressed the “essential objective” and underlying concerns of the proposal. For example, in Mondelēz International Inc. (Mar. 7, 2014), the Staff
concurred with the exclusion of a proposal requesting a report on the company’s process for identifying and analyzing human rights risks of its operations because the company had achieved the proposal’s essential objective by publicly disclosing its risk management processes in existing reports. Similarly, in *PPG Industries, Inc.* (Jan. 16, 2020), the Staff concurred with the exclusion of a proposal requesting a report on the company’s processes for implementing its human rights commitments given the existing disclosures in its various corporate governance documents. *See also Hess Corp.* (Apr. 11, 2019) and *Entergy Corp.* (Feb. 14, 2014) (both allowing exclusion of a proposal requesting a report on policies the company could adopt to reduce its greenhouse gas emissions because the company had existing disclosure on this topic in its annual sustainability report). The Staff has taken this approach even where the company did not take the exact action requested by the proponent, did not implement the proposal in every detail or exercised discretion in determining how to implement the proposal. *See, e.g., General Motors Corp.* (Mar. 4, 1996); *Talbots Inc.* (Apr. 5, 2002); *Johnson & Johnson* (Feb. 17, 2006); *ConAgra Foods, Inc.* (July 3, 2006); *Anheuser-Busch Cos., Inc.* (Jan. 17, 2007).

**B. The Proposal has been substantially implemented by the Company’s existing public disclosures of information regarding the human rights diligence performed by the Company before expanding operations in a new country.**

In addition to being excludable under Rule 14a-8(i)(7), the Proposal is excludable under Rule 14a-8(i)(10) because it has been substantially implemented. The Proposal requests a report that publishes extensive details about the Company’s human rights due diligence process conducted before siting data centers in countries with reported human rights violations, particularly regarding free speech and government demands for user data. The Company’s existing public disclosures substantially implement the Proposal’s core objective of “[examining] the scope, implementation and robustness” of that due diligence process, “with an eye toward the rights enshrined in the Universal Declaration of Human Rights, the standards established in the United Nations Guiding Principles on Business and Human Rights (UNGPs) and in the Global Network Initiative Principles (GNI Principles) adequate transparency regarding the use and protection of the data it collects.”

The Staff has consistently permitted the exclusion of proposals where the company already published information covering the concerns described in the proposal and supporting statement. *See The Coca-Cola Company* (Jan. 25, 2012) (permitting the exclusion of a proposal that requested a report updating investors on how the company is responding to public policy challenges associated with BPA, including risks to the company’s market share or reputation where such information was available on the company’s website). *See also Alcoa Inc.* (Feb. 3, 2009) (in which the proposal requested that the board of directors prepare a report on global warming that “may” address specific topics, where the company “acknowledge[d] that its Climate Change Report, Sustainability Report and other global warming materials do not explicitly discuss the impact of [the company’s] actions on ‘changes in mean global temperature and any undesirable climatic and weather-related events and disasters avoided,’ as requested by the [p]roposal,” and argued that it had substantially implemented the proposal with its website disclosures that “report extensively on the company’s policies and practices with respect to global warming”). The Staff has also
recognized that such company disclosure need not be of any set length in order for no action relief to be granted. See Pfizer Inc. (Jan. 11, 2013, recon. denied March 1, 2013) (permitting the exclusion of a proposal that requested that the board issue a report detailing measures implemented to reduce the use of animals and the company’s plans to promote alternatives to animal use, where the company cited its compliance with the Animal Welfare Act and published a two-page “Guidelines and Policy on Laboratory Animal Care” on its website).

The Company recently published a blog post on its website (“Google Cloud Human Rights Blog Post”), a copy of which is attached as Exhibit D, in which it provided updates regarding the countries to which the Company was expanding its Google Cloud regions and reaffirmed its “commit[ment] to upholding human rights in every country where we operate”\(^1\) and linked to the Google Human Rights Policy. This commitment, as further explained in the Google Cloud Human Rights Blog Post, “includes respecting the Universal Declaration of Human Rights, as well as the standards established in the United Nations Guiding Principles on Business and Human Rights and Global Network Initiative Principles.” The Company also discloses in the Google Cloud Human Rights Blog Post that the Company is “a proud founding member of the Global Network Initiative, in which [the Company] work[s] closely with civil society, academics, investors and industry peers to protect and advance freedom of expression and privacy globally as [the Company] deliver[s] high-quality, relevant and useful content.” This responds directly to the question in the Supporting Statement asking “whether the company identifies and engages any rights-holders to ensure that its human rights efforts are well informed.” The Google Cloud Human Rights Blog Post provides updated disclosures describing their process and developments on each existing and planned data center around the world, including Chile, Israel, Germany, Saudi Arabia and the United States. It also notes that the Company “undertake[s] thorough human-rights due diligence . . . whenever [the Company] expand[s] operations in a new country.” A key component of its human right due diligence process “often includes external human-rights assessments, which identify risks that [the Company then] review[s] carefully and decide[s] how to address.” The Google Cloud Human Rights Blog Post also links to the Company’s policy on government requests for data access, which provides a clear position on how the Company handles requests from governments for access to data. As the Google Cloud Human Rights Blog Post notes, the “Trusted Cloud Principles initiative, led by Google, Amazon, Microsoft, and other technology companies, to protect the rights of customers as they move to the cloud.” These disclosures and more in the Google Cloud Human Rights Blog Post are all directly responsive to and substantially implement the request in the Proposal that the Company “assess the siting of Google Cloud Data Centers in countries of significant human rights concern, and the Company’s strategies for mitigating the related impacts.”

\(^1\) Sachin Gupta, Expanding our infrastructure with cloud regions around the world, GOOGLE CLOUD – INFRASTRUCTURE (Dec. 1, 2021), https://cloud.google.com/blog/products/infrastructure/google-cloud-platform-region-updates.
The Proponent alleges in the Supporting Statement that, despite the Company’s public statements avowing its commitment to transparency as “core to [its] commitment to respect human rights,” the Company’s decision-making with regard to establishing data centers in countries with known human rights violations “occur[] behind closed doors and without the promised transparency.” However, the disclosure requested by the Proponent in the Proposal and the Supporting Statement—an assessment of the Company’s considerations of and strategies to mitigate the human rights concerns inherent in establishing data centers in countries where the government is likely to restrict the rights of users on the Google Cloud—is disclosure that has already been provided on its website and through the website for the Trusted Cloud Principles, at https://trustedcloudprinciples.com/. The Google Human Rights Policy explains that its Human Rights Program ensures that the Company is meeting its commitment to the Universal Declaration of Human Rights, the UNGPs, and the GNI Principles. Specifically, under the Human Rights Program, “senior management oversees the implementation of the civil rights and human rights work and provides regular updates to the Audit and Compliance Committee,” the charter of which gives the Audit and Compliance Committee the responsibility of overseeing human rights issues. Additionally, the Company stresses in the Google Human Rights Policy that it continuously “evolve[s] the implementation of [the company’s] human rights commitments,” with the most recent example being the establishment of a Human Rights Executive Council to oversee the Human Rights Program.

The Google Human Rights Policy provides extensive disclosure on the workings of the Human Rights Program and the Company’s approach to transparency, providing in particular: “Transparency is core to our commitment to respect human rights. In 2010, we were the first internet company to launch a tool to inform people about government requests for user data or content removal. Today the Google 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.” This disclosure clearly demonstrates that, although the Company does not publish the specific results of its human rights due diligence process and mitigations for individual countries, the Company is hardly operating without transparency. Further, the Google Human Rights Policy discloses key parts of the human rights due diligence process: human rights impact assessments and regular engagement and formal consultation with internal and external stakeholders, as well as with civil society, on topics such as content policies and data governance. The Company credits such engagements for helping to “identify, prioritize, and address existing and potential civil and human rights impacts” and providing the Company with “feedback on how and where [the Company] should consider improvements to our policies, practices, and services.” This disclosure plainly addresses the Supporting Statement’s request for information regarding the mechanics of the human right due diligence process and confirms the Company’s engagement with stakeholders.

The Staff has found that exclusion under Rule 14a-8(i)(10) is appropriate when a company can demonstrate that it has taken actions to substantially implement the stockholder
proposal, even if the disclosure is published in separate locations rather than a single report or lengthy webpage. See, e.g., The Dow Chemical Co. (March 5, 2008) (permitting the exclusion of a proposal requesting a “global warming report” that discussed how the company’s efforts to ameliorate climate change may have affected the global climate when the company had already made various statements about its efforts related to climate change, which were set forth in various corporate documents and disclosures). The Company’s published policies, practices and ongoing commitments across the Google Cloud Human Rights Blog Post, the Google Human Rights Policy and the Trusted Cloud Principles, taken together, address the material aspects of the Proposal. Accordingly, the Company has substantially implemented the Proposal, which should be found excludable under Rule 14a-8(i)(7).

* * * * *

Conclusion

By copy of this letter, the Proponents are being notified that for the reasons set forth herein, the Company intends to omit the Proposal and Supporting Statement from its Proxy Statement. We respectfully request that the Staff confirm that it will not recommend any enforcement action if the Company omits the Proposal and Supporting Statement from its Proxy Statement. If we can be of assistance in this matter, please do not hesitate to call me.

Sincerely,

Jeffrey D. Karpf

Cc: Vicky Wyatt, Campaign Director, SumOfUs

Enclosures:

Exhibit A – Proposal and Supporting Statement
Exhibit B – Response Letter
Exhibit C – 2020 Statement Against Modern Slavery
Exhibit D – Google Cloud Human Rights Blog Post
Exhibit A

Proponents’ Proposal and Supporting Statement
December 17, 2021

Corporate Secretary
Alphabet, Inc.

[Redacted]

I hereby authorize SumOfUs to file a shareholder resolution on my behalf for the Alphabet, Inc 2022 annual shareholder meeting. The specific topic of the proposal is requesting that the company’s Board of Directors commission a report assessing the siting of Google Cloud Data Centers in countries of significant human rights concern.

I support this proposal and specifically give SumOfUs full authority to engage with the company on my behalf regarding the proposal and the underlying issues, and to negotiate a withdrawal of the proposal to the extent the representative views of the company’s actions as responsive.

I understand that I may be identified on the corporation’s proxy statement as the filer of the aforementioned resolution.

Sincerely,

Aaron Strauss
Via FedEx and Email

Alphabet Inc.

Attn: Corporate Secretary

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

Dear Corporate Secretary,

SumOfUs is filing a shareholder proposal on behalf of Mari Fennel-Bell ("Proponent"), a shareholder of Alphabet Inc., for action at the next annual meeting of Alphabet Inc. The Proponent submits the enclosed shareholder proposal for inclusion in Alphabet Inc. 2022 proxy statement, for consideration by shareholders, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

As of January 4, 2021, Mari Fennel-Bell had continuously held shares of the Company’s common stock with a value of at least $2,000 for at least one year, and Mari Fennel-Bell has continuously maintained a minimum investment of at least $2,000 of such securities from January 4, 2021 through the date hereof, which confers eligibility to submit a proposal under Rule 14a-8(b)(3). Verification of this ownership will be sent under separate cover. Mari Fennel-Bell intends to continue to hold such shares through the date of the Company’s 2022 annual meeting of shareholders.

A letter from the Proponent authorizing SumOfUs to act on her behalf is enclosed. A representative of the Proponent will attend the stockholders' meeting to move the resolution as required.

Mari Fennel-Bell and SumOfUs are available to meet with the Company via teleconference on January 3, 2002 or January 10, 2002 during normal business hours. Any co-filers will delegate Mari as the lead filer to meet with the company in this initial engagement meeting. The co-filers may join the meeting if it is scheduled and they are available.

We are available to discuss this issue and appreciate the opportunity to engage and seek to resolve the Proponent's concerns. Mari Fennel-Bell may be contacted by email at [email protected] or by email at [email protected] to schedule a meeting and to address any questions. Please address any future correspondence regarding the proposal to me at this address.

Sincerely,

Christina O’Connell
SumOfUs
Advisor
Encl: Authorization letter
December 17, 2021

Corporate Secretary
Alphabet, Inc.

I hereby authorize SumOfUs to file a shareholder resolution on my behalf for the Alphabet, Inc 2022 annual shareholder meeting. The specific topic of the proposal is requesting that the company’s Board of Directors commission a report assessing the siting of Google Cloud Data Centers in countries of significant human rights concern.

I support this proposal and specifically give SumOfUs full authority to engage with the company on my behalf regarding the proposal and the underlying issues, and to negotiate a withdrawal of the proposal to the extent the representative views of the company’s actions as responsive.

I understand that I may be identified on the corporation’s proxy statement as the filer of the aforementioned resolution.

Sincerely,

Anita Fellman
December 17, 2021

Corporate Secretary
Alphabet, Inc.

I hereby authorize SumOfUs to file a shareholder resolution on my behalf for the Alphabet, Inc 2022 annual shareholder meeting. The specific topic of the proposal is requesting that the company’s Board of Directors commission a report assessing the siting of Google Cloud Data Centers in countries of significant human rights concern.

I support this proposal and specifically give SumOfUs full authority to engage with the company on my behalf regarding the proposal and the underlying issues, and to negotiate a withdrawal of the proposal to the extent the representative views of the company’s actions as responsive.

I understand that I may be identified on the corporation’s proxy statement as the filer of the aforementioned resolution.

Sincerely,

Chad Eberle
Proof of Ownership

December 17, 2021

Corporate Secretary
Alphabet Inc.

Re: Shareholder proposal submitted by Mari Mennel-Bell

Dear Corporate Secretary,

I write concerning a shareholder proposal (the “Proposal”) submitted to Alphabets, Inc. (the “Company”) by Mari Mennel-Bell.

As of January 4, 2021, Mari Mennel-Bell had continuously held shares of the Company’s common stock with a value of at least $2,000 for at least one year, and Mari Mennel-Bell has continuously maintained a minimum investment of at least $2,000 of such securities from January 4, 2021 through the date hereof.

Key Private Bank has acted as record holder of the Shares and is a DTC participant. If you require any additional information, please do not hesitate to contact me at [redacted] and [redacted]

Very truly yours,

Jeff Stegeman
Sr. Portfolio Strategist
Senior Vice President
December 17, 2021

Corporate Secretary
Alphabet, Inc.

I hereby authorize SumOfUs to file a shareholder resolution on my behalf for the Alphabet, Inc 2022 annual shareholder meeting. The specific topic of the proposal is requesting that the company’s Board of Directors commission a report assessing the siting of Google Cloud Data Centers in countries of significant human rights concern.

I support this proposal and specifically give SumOfUs full authority to engage with the company on my behalf regarding the proposal and the underlying issues, and to negotiate a withdrawal of the proposal to the extent the representative views of the company’s actions as responsive.

I understand that I may be identified on the corporation’s proxy statement as the filer of the aforementioned resolution.

Sincerely,

Nina Wouk
December 17, 2021

Corporate Secretary
Alphabet, Inc.

[Redacted]

I hereby authorize SumOfUs to file a shareholder resolution on my behalf for the Alphabet, Inc 2022 annual shareholder meeting. The specific topic of the proposal is requesting that the company’s Board of Directors commission a report assessing the siting of Google Cloud Data Centers in countries of significant human rights concern.

I support this proposal and specifically give SumOfUs full authority to engage with the company on my behalf regarding the proposal and the underlying issues, and to negotiate a withdrawal of the proposal to the extent the representative views of the company’s actions as responsive.

I understand that I may be identified on the corporation’s proxy statement as the filer of the aforementioned resolution.

Sincerely

[Signature]
Peter Meyer

[DocuSign Envelope ID: 3C3EE719-21DA-4480-B9BB-CE0A9D6FCD4B]
Via Email

Alphabet Inc.

Attn: Corporate Secretary

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

Dear Corporate Secretary,

SumOfUs is filing a shareholder proposal on behalf of Nina Wouk, Peter Meyer, Anita Fellman, Chad Eberle, and Aaron Strauss, shareholders of Alphabet Inc., for action at the next annual meeting of Alphabet Inc. The Proponent submits the enclosed shareholder proposal for inclusion in Alphabet Inc. 2022 proxy statement, for consideration by shareholders, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. The lead filer of this resolution is Mari Mennel-Bell.

As of January 4, 2021, Nina Wouk, Peter Meyer, Anita Fellman, Chad Eberle, and Aaron Strauss had continuously held shares of the Company’s common stock with a value of at least $2,000 for at least one year, and Nina Wouk, Peter Meyer, Anita Fellman, Chad Eberle, and Aaron Strauss, have continuously each maintained a minimum investment of at least $2,000 of such securities from January 4, 2021 through the date hereof, which confers eligibility to a submit a proposal under Rule 14a-8(b)(3). Verification of this ownership will be sent under separate cover. Nina Wouk, Peter Meyer, Anita Fellman, Chad Eberle, and Aaron Strauss, intend to continue to hold such shares through the date of the Company’s 2022 annual meeting of shareholders.

A letter from the Proponent authorizing SumOfUs to act on her behalf is enclosed. A representative of the Proponent will attend the stockholders' meeting to move the resolution as required.

Mari Fennel-Bell and SumOfUs are available to meet with the Company via teleconference on January 3, 2022 or January 10, 2022 during standard business hours. Any co-filers will delegate Mari as the lead filer to meet with the company in this initial engagement meeting. The co-filers may join the meeting if it is scheduled and they are available.

We are available to discuss this issue and appreciate the opportunity to engage and seek to resolve the Proponent's concerns. Nina Wouk, Peter Meyer, Anita Fellman, Chad Eberle, and Aaron Strauss may be contacted by email at [email protected] or by email at [email protected] to schedule a meeting and to address any questions. Please address any future correspondence regarding the proposal to me at this address.

Sincerely,

Christina O’Connell

[Signature]
Christina O’Connell
SumOfUs
Advisor
Encl: Authorization letters
Data Operations in Human Rights Hotspots

Resolved: Shareholders request the Board of Directors commission a report assessing the siting of Google Cloud Data Centers in countries of significant human rights concern, and the Company’s strategies for mitigating the related impacts.

The report, prepared at reasonable cost and omitting confidential and proprietary information, should be published on the Company’s website within six months of the 2022 shareholders meeting.

Supporting Statement:

As shareholders we are concerned by Alphabet’s announced plans¹ to expand data center operations in locations reported by the US State Department’s Country Reports on Human Rights Practices to present significant human rights violations.

These include Jakarta, Indonesia where opponents of the government face up to 18 months in prison for insulting the president or government officials online; Doha, Qatar where security forces interrogate social media users for tweets critical of government officials; and Delhi, India where the government frequently orders internet shutdowns and where Google’s Transparency report showed a 69% increase in government requests for user data in 2019.

Of particular concern is the plan to locate a Google Cloud Data Center in Saudi Arabia. The US State Department Country Report² details the highly restrictive Saudi control of all internet activities and notes pervasive government surveillance, arrest, and prosecution of online activity. Human rights activists have reliably reported³ that “Saudi authorities went so far as to recruit internal Twitter employees in the US to extract personal information and spy on private communications of exiled Saudi activists.” Given this history and particularly the use of spyware to violate privacy rights of dissidents and the use of actual spies inside a similar platform (Twitter) to track US based exiled Saudi activists, the choice to locate here is particularly troubling⁴.

When asked by human rights activists to address these concerns, our company stated that “an independent human rights assessment was conducted for the Google Cloud Region in Saudi Arabia, and Google took steps to address matters identified as part of that review.”⁵ While the

¹ https://techcrunch.com/2020/03/04/google-cloud-announces-four-new-regions-as-it-expands-its-global-footprint/
² https://www.state.gov/reports/2020-country-reports-on-human-rights-practices/saudi-arabia/
³ https://www.hrw.org/news/2021/05/26/saudi-arabia-google-should-halt-plans-establish-cloud-region
company has declared that “Transparency is core to our commitment to respect human rights,” neither the Company's human rights assessment for Saudi Arabia nor the resulting actions have been made public.

Alphabet’s Human Rights Policy notes that:

In everything we do, including launching new products and expanding our operations around the globe, we are guided by internationally recognized human rights standards.

Yet, the company's decisions regarding siting of cloud data centers in human rights hot spots are occurring behind closed doors and without the promised transparency. A report sufficient to fulfill the essential objectives of this proposal would examine the scope, implementation, and robustness of the company’s human rights due diligence processes on siting of cloud computing operations. It would assess, with an eye toward the the rights enshrined in the Universal Declaration of Human Rights, the standards established in the United Nations Guiding Principles on Business and Human Rights (UNGPs) and in the Global Network Initiative Principles (GNI Principles), the priorities and potential impacts on people, any mitigating actions, any tracking of outcomes, and whether the company identifies and engages rights-holders to ensure that its human rights efforts are well informed.
Exhibit B

Response Letter
Dear Peter, Vivek—

I am writing in response to your letter dated January 29 regarding Google Cloud’s recent announcement about establishing a new Google Cloud Region in Saudi Arabia. We appreciated the opportunity to meet with your teams to share more detail on Google’s long-standing commitment to human rights. As we shared during the call, the Cloud region in Saudi Arabia is of limited scope, focused on our cloud enterprise business, and unrelated to our consumer services.

Our development of new products and expansion of global operations are guided by internationally recognized human rights standards. We are 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. As part of this commitment, Google undertakes human rights due diligence when expanding operations into new locations. Consistent with our standard practices, an independent human rights assessment was conducted for the Google Cloud Region in Saudi Arabia, and Google took steps to address matters identified as part of that review. As our business in the region evolves, we will continue to assess opportunities to ensure compliance with our commitments.

Google is also committed to a process of responsible decision-making that respects the fundamental rights of users of our products and is consistent with our mission, our code of conduct, our AI principles, and our privacy principles. In addition, our overall commitment and adherence to recognized international security and privacy standards is certified and validated by independent auditors — wherever data is located. Additionally, we have a very clear position on requests from governments for access to data and you can find out more here.

Google Cloud continues to invest in new markets and expand our network to meet the growing demand from our enterprise customers around the world. We believe that continuing
to explore opportunities in global markets and building infrastructure to meet the needs of our customers is consistent with our commitment to create opportunity for everyone. As we explore these options, we value and take seriously our responsibility to respect human rights.

Google’s mission is to organize the world’s information and make it universally accessible and useful. We look forward to continued collaboration with human rights organizations such as Access Now and CIPPIC to further this mission in a rights-respecting manner.

Sincerely,

Pablo Chavez
Exhibit C

2020 Statement Against Modern Slavery
Google LLC (Google) and its subsidiaries and controlled entities—including Google UK Ltd., Google Australia Pty Ltd., Nest Labs, Inc. (Nest), Nest Labs (Europe) Ltd., Google Payment Ltd., and DeepMind Technologies Ltd.—are committed to treating all workers with respect and dignity, ensuring safe working conditions, and conducting environmentally responsible ethical operations. As a part of our overall commitment to supporting human rights around the world, we stand against all forms of modern slavery, and we work to ensure it will not find a foothold in our supply chains and business operations.

We are issuing this statement pursuant to the UK Modern Slavery Act, Australia Modern Slavery Act, and the California Transparency in Supply Chains Act, which require Google and certain of its subsidiaries to disclose efforts to ensure that modern slavery is not taking place in our supply chains and business operations. This is our fifth statement, covering our 2020 financial year (January 1 - December 31, 2020).

Google’s subsidiaries and controlled entities currently participate in and are covered by the anti-modern slavery program operated by Google. As a result, statements regarding Google’s efforts to ensure that modern slavery is not taking place in its supply chains and business operations—including statements regarding the company’s policies, processes, and procedures—also apply to Google’s subsidiaries and controlled entities unless specifically stated otherwise.

Throughout this statement, we reference “modern slavery,” which includes slavery, servitude, forced or compulsory labor, and human trafficking. In addition, we reference “extended workforce suppliers” and “our extended workforce,” which includes suppliers and supplier employees.
2020 Highlights

- **Enterprise Modern Slavery Risk Assessment**
  We began an enterprise-wide modern slavery risk assessment that will conclude in 2021.

- **Targeted Desktop Audits**
  In addition to conducting our Supplier Code of Conduct on-site audits, we developed and launched a remote audit protocol, both of which enabled us to continue robust supply chain site assessments during the COVID-19 pandemic.

- **Supplier Responsibility**
  We published our 2020 Supplier Responsibility Report.

- **Charitable Giving**
  Google and Googlers (including corporate matching of employee donations, cash grants, and ad grants) contributed over US$4.7 million in 2020 to organizations fighting modern slavery, including those on the Global Modern Slavery list.

- **Global Business Coalition Against Trafficking (GBCAT) Modern Slavery Toolkit**
  Google supported the development of the GBCAT toolkit on Addressing Forced Labor and other Modern Slavery Risks.

Structure, business, and supply chain

Google is a wholly owned subsidiary of Alphabet Inc. (Alphabet). Google’s business includes products and services such as ads, Android, Chrome, Google Cloud, Google Maps, Google Play, Search, and YouTube, as well as hardware products, such as Google Nest home products, Pixelbooks, Pixel phones, and other devices. Google generates revenues by delivering relevant, cost-effective online advertising; cloud-based solutions that provide customers with platforms, collaboration tools, and services; and sales of other products and services, such as apps and in-app purchases, digital content and subscriptions for digital content, and hardware.

Our business is supported by a significant amount of technical infrastructure, including data centers located in the U.S. and other countries. We also rely on other companies to manufacture many of our finished products, to design certain of our components and parts, and to participate in the distribution of our products and services. Our anti-modern-slavery efforts require strong collaboration and engagement with our global suppliers. As such, our philosophy is to work in partnership with all of our suppliers, empowering them to establish programs, policies, and practices that mitigate the risk of modern slavery occurring in their supply chains.

Internal management, accountability, and programs

In 2020, our Chief Compliance Officer, oversaw a team focused on combating modern slavery in our supply chains and business operations. Our Chief Compliance Officer provided quarterly updates on the status of our anti-modern-slavery program to our Compliance Steering Committee, composed of senior executives from across our business. In addition, our Chief Compliance Officer provided updates on relevant issues to the Audit and Compliance Committee of Alphabet’s Board of Directors in accordance with its Charter, which was amended in 2020 to explicitly include risk oversight of human rights issues.

Regular updates on the status of the Supplier Responsibility Program—which includes addressing modern slavery risk—were provided to our Supplier Responsibility Steering Team in 2020, composed of our Chief Compliance Officer and leaders from our data center, hardware, and extended workforce business areas.
Policies addressing ethical conduct and prevention of modern slavery

As reported in our previous statements, we have an Employee Code of Conduct and a Supplier Code of Conduct. Our Supplier Code of Conduct sets supplier expectations designed to protect the health, safety, and treatment of workers, including the prohibition of any form of modern slavery, including forced, bonded (including debt bondage), or indentured labor; involuntary prison labor; sex trafficking; and slavery or trafficking of people. In addition, our publicly posted Policy Against Modern Slavery further demonstrates our commitment to combating modern slavery. The policy defines modern slavery, gives a concrete list of prohibited actions, and provides reporting channels for suspected instances of modern slavery. We strive to hold our employees and suppliers to high standards. Any violation of our standards by a Google employee can result in disciplinary action, including termination of employment. Any violation by a supplier or extended worker can result in contract or engagement termination.

Risk assessment

Google continually assesses modern slavery risk in our supply chains. Our assessment processes identify higher-risk areas of our business based on external reports and standards, country and sector risk profiles, and input from experts in this area. In addition, to assess supplier-specific risk, we consider the industry, work type, geography, and supplier performance, among other factors.

In 2020, we hired an independent party to oversee an enterprise-wide modern slavery risk assessment, which aims to review Google against modern slavery indicators to help us understand potential gaps and opportunities for improvement, or identify new potential modern slavery risks that have emerged in our business operations and supply chains. We intend to complete the modern slavery risk assessment in 2021 with a report of findings and remediation plans to our Supplier Responsibility Steering Team and the Compliance Steering Committee.

In the meantime, we have continued our work in other higher-risk areas of our supply chain based on previous risk assessments, such as our hardware supply chain and our extended workforce. In 2020, our Supplier Responsibility Team and Extended Workforce supplier risk team continued to assess risks and work with our suppliers to remediate them amid the impacts of the COVID-19 pandemic.

We worked to address new labor and modern slavery risks posed by the pandemic, and made a commitment that we would continue to pay members of our extended workforce who were affected by reduced office schedules (such as closed cafes resulting from offices moving to work-from-home arrangements). In addition, to address gaps in sick leave requirements around the world, we established a COVID-19 fund that enabled all our temporary staff and vendors to take paid sick leave if they had potential symptoms of COVID-19 or could not come into work because they were quarantined.

For more information on our ongoing risk assessments and remediations in our hardware supply chain, please refer to Google’s 2020 Supplier Responsibility Report.

Due diligence

We conduct due diligence on direct suppliers that are identified as having higher risk through the assessments described in the preceding section (collectively, the “higher-risk suppliers”).

As part of the due diligence process, higher-risk suppliers complete a self-assessment questionnaire about their working conditions and management systems. The due diligence process also includes supplier background checks, examination of labor-related red flags that appear in publicly available databases and media sources, and a review of higher-risk suppliers’ names against human trafficking watch lists.

If we discover red flags, we conduct extensive and documented follow-ups to address these issues. In certain cases, we may decide to no longer pursue a relationship or to terminate our current relationship with a supplier.

Training

Training on our Code of Conduct reinforces the expectation that our employees, extended workforce, and contractors (collectively, "workers") follow applicable laws and report concerns of illegal or unethical activity. We train workers to conduct due diligence to identify and avoid working with third parties that engage in modern slavery or other illegal practices. Workers who manage relationships with higher-risk suppliers receive supplemental in-person training. In addition, we have an online training course on our Supplier Code of Conduct and Supplier Responsibility Program that includes anti-modern slavery education for workers in roles related to hardware supplier management. This training helps workers identify modern slavery red flags, shares anti-modern slavery best practices, and instructs workers to report modern slavery concerns.
Assessing and reporting on effectiveness

We perform periodic independent third-party audits at higher-risk suppliers’ facilities. The audits include in-depth facility review, meetings with management, on-site worker interviews, document reviews, and assessments of related areas, such as dormitories, cafeterias, wastewater treatment facilities, and warehouses. The audit protocol is designed to assess suppliers’ performance in the areas covered by our Supplier Code of Conduct, including modern slavery risk.

We investigate any issues identified during the audit and when we find that a supplier is not conforming to our expectations, we expect the supplier to provide a corrective action plan that outlines the root cause of the finding, how and when that company will resolve the issue, and what steps will be taken to prevent recurrence. We determine whether the plan is acceptable based on the severity of the nonconformance. Lastly, we monitor and verify all corrective actions are completed in the agreed upon time frame, with a process for escalation to the Supplier Responsibility Steering Team if necessary.

In 2020, our audit team developed and launched a remote audit protocol we call “Targeted Desktop Audits” to continue their work during COVID-19 pandemic travel limitations. These remote audits, in addition to our Supplier Code of Conduct on-site audits mentioned above, enabled us to continue robust supply chain site assessments. The development of the remote audit protocol included the creation of an in-depth methodology, assessor guide, and document review protocol. We also trained our independent auditors and worked closely with certain of our suppliers on the new process.

In addition to our formal announced audits, our supplier managers are trained to report any concerns they might observe on an ongoing basis. In 2020, we published our fourth annual Supplier Responsibility Report which provides more detailed information about our above-mentioned audit and supplier engagement efforts.

In 2020, our audits identified multiple findings related to the category “Freely Chosen Employment”, including:

- Excessive employment termination notification requirements
- Monetary penalties for early termination of employment
- Inadequate or missing policies or practices related to repatriation of foreign migrant workers

In addition, our audits identified multiple findings related to the category “Working Hours and Wages,” including:

- Workers working more than 60 hours a week
- Workers not receiving at least one day off every seven days
- Wages paid to workers that don’t comply with all applicable wage laws
- Insufficient overtime compensation
- Insufficient social insurance coverage
- Deductions and withholding of wages as a disciplinary measure

As part of our audit program, we ask suppliers to identify root causes of any findings and develop and implement appropriate corrective actions; for the findings above, we are working with our suppliers to restrict prohibited fees, make timely reimbursements, change employment letter templates, remove inappropriate termination notification requirements, have policies in place to manage their (and their supply chains’) adherence to our Supplier Code of Conduct, address root causes for worker shortages, provide all legally mandated benefits, and prohibit illegal wage deductions and withholdings as a disciplinary measure.

We also perform periodic third-party audits during office fit-out construction projects in some regions. With these audits, we strive to ensure that construction workers have a safe working and living environment (in those cases where housing is provided for workers) and are paid their wages in a timely fashion commensurate to the work performed. This is achieved by announced and unannounced visits to relevant facilities, interviews with workers, and inspection of personnel files. Appointed general contractors are contractually bound to allow similar audits of their subcontractors, as appropriate.

Because we recognize the limitations of audits in many areas, we have ongoing efforts to improve our protocols and to identify and assess risk using a variety of other methods and indicators. We also engage with workers through individual and group interviews, as well as device-based worker surveys.

In addition to our audits and corrective action plans with suppliers, we work to assess the overall effectiveness of the numerous different components in our modern slavery compliance program. The Anti-Modern Slavery Lead meets regularly with the Supplier Responsibility lead and extended workforce supplier risk team to discuss and review the day-to-day operations of our supplier risk assessments, due diligence process, and audit program. These regular meetings lead to in-depth reviews and discussions regarding potential policy and process improvements. In 2020, we held formal reviews of the efforts undertaken by the Supplier Responsibility and extended workforce teams to ensure compliance to our Supplier Code of Conduct, including measures to address modern slavery risks.
Reporting concerns or raising issues related to modern slavery

We offer multiple reporting options to workers, including a helpline that gives workers an option to report concerns anonymously. We promote these reporting options through our internal policies, communications, and trainings. We also have a policy prohibiting retaliation for raising concerns.

If a modern slavery concern is raised through the helpline or other reporting channels, our Office of Compliance and Integrity coordinates with appropriate stakeholders to investigate and address the issue. If a reported concern is substantiated, the corrective response may involve working with the supplier to ensure that the issue is addressed or, if that is not possible, terminating the supplier.
Our commitment to ending modern slavery

In addition to the measures described above, we support a number of other efforts and organizations as part of our commitment to eradicating modern slavery.

Related policies

- **Advertising:** Our advertising policies do not allow ads containing adult-oriented content that targets minors, ads promoting sexually explicit content, including content with underage or non-consensual sexual themes, ads for compensated sexual acts, or ads that violate applicable laws or regulations for any location that a campaign targets (collectively, “bad ads”). We enforce our policies through a robust approval and monitoring process. We use the latest technology as well as manual review by teams that are specially trained to remove bad ads—and bad advertisers—from Google. This is a constant challenge, and we are always seeking ways to ensure our systems and practices stay ahead of the evolving risk.

- **Google Play:** Our policies do not allow apps that contain or promote sexually explicit content, such as pornography and escort services.

Product features

- **Search feature:** We continue to support a Search feature that helps victims of modern slavery to more easily access critical support and services from anti-modern-slavery organizations. Specifically, when certain keywords are used in Search, this feature will show hotline phone numbers, operating hours, and easy-to-use text short codes. The feature is available in 13 countries and 14 languages.

- **User engagement:** We provide robust tools to help our users report illegal content or abuse in our services, including community flagging tools. We also invite users to contact us with complaints about illegal content or abuse through our product Help Centers.

Partnerships

- **Protecting Children:** Google’s Special Victims Investigation Group investigates cases involving online child sexual exploitation, making reports to the National Center for Missing and Exploited Children (NCMEC). This initiative involves innovation in locating children being exploited to expedite their potential rescue.

- **UK Living Wage initiative:** The Living Wage Foundation is an initiative that annually calculates a minimum hourly living wage for the UK, generally, and in London, specifically. Google UK worked with the Living Wage Foundation to certify the steps it takes to ensure Google UK employees, suppliers, and vendors receive a living wage. Google UK is proud to have earned accreditation as a Living Wage employer for the fifth year in a row.

- **Responsible Mining:** Google is a member of the Responsible Minerals Initiative (RMI), which has a variety of programs addressing the risk of child mining. RMI supports multiple collaborations with organizations working to eradicate child labor and drive responsible mining practices in the Democratic Republic of the Congo (DRC). The effort involves working in-region with NGOs and governmental entities to assess the current state of child mining, identify root causes, develop mitigation plans, and support interventions that ultimately eliminate child mining by providing economic alternatives to families. This effort builds on previous work done by PACT in collaboration with Google and other companies in the DRC.

- **Industry Collaboration:** To support industry innovation and collaboration, we engage with the BSR Human Rights Working Group (HRWG), Global Business Coalition Against Human Trafficking (GBCAT), and the Responsible Business Alliance (RBA). In 2020, Google supported the development of the GBCAT toolkit on Addressing Forced Labor and other Modern Slavery Risks. The toolkit aims to help businesses that work in corporate supply chains to quickly identify areas that carry the highest risk of modern slavery and develop a simple plan to prevent and address those risks. In 2021, we will begin using the toolkit to further engage suppliers on the issue of modern slavery and to support the development of modern slavery risk mitigation measures in our supply chain.

Employee Engagement and Awareness

- **Charitable giving:** Google and Googlers (including corporate matching of employee donations, cash grants, and ad grants) contributed over US$4.7 million in 2020 to organizations fighting modern slavery, including those on the Global Modern Slavery list.
Moving forward

Modern slavery remains a complex challenge, and we are continually working to evolve and improve our efforts to combat these practices.

This statement was reviewed by relevant internal teams and approved by XXVI Holdings Inc., a Delaware corporation and sole managing member of Google LLC.

Kent Walker

Kent Walker
Secretary, XXVI Holdings Inc., sole managing member of Google LLC
Senior Vice President, Global Affairs, Chief Legal Officer, and Secretary, Google LLC
Signed in June 2021
INFRASTRUCTURE

Expanding our infrastructure with cloud regions around the world

Sachin Gunta

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Building on this momentum, today we are excited to share further updates to our expansion strategy.

**Extending our Google Cloud region roadmap**

**Chile**

Today, we’re proud to announce that our Santiago cloud region is now operational, ready to help more South American customers and partners build a digital-first future. This marks our first cloud region in Chile and second in South America, complementing São Paulo, which opened in 2017.

The Santiago cloud region brings our high-performance, low-latency cloud services closer to customers across Latin America, from financial institutions like Caja Los Andes to health providers like Red Salud and enterprises like LATAM Airlines. Join us as we celebrate the opening of the Santiago cloud region with our customers and local Google leaders.

**Israel**

Today, we are excited to share that our Google Cloud region in Israel will be located near Tel Aviv. When operational, the Tel Aviv region will enable us to meet growing demand for cloud services in Israel across industries, from retail to financial services to the public sector.

Find an article...
via BigQuery, excellent customer support, and a clean and simple user interface, Google Cloud has been a partner to our technology team and beyond. The new Google Cloud region in Berlin-Brandenburg will further improve collaboration company-wide and make data more accessible to all teams. – Gaurav Mittal, VP IT & Systems at BMG

**Saudi Arabia**

Last year, we announced our plans to deploy and operate a cloud region in Saudi Arabia, while a local strategic reseller, sponsored by Aramco, will offer cloud services to businesses in the Kingdom. Today, we are announcing Dammam as the location for this cloud region. As we prepare for launch, we will start hiring out of a Riyadh-based office to support the cloud region’s deployment and operation.

**United States**

Over the next year, we will add cloud regions in Columbus, Ohio, and Dallas, Texas, providing customers operating in North America with the capacity they need to run mission-critical services at the lowest possible latency. These new U.S. regions will bring our services even closer to existing customers such as J.B. Hunt Transport, Inc., which is implementing Google Cloud solutions to help create the most efficient transportation network in North America.

**Beyond performance and capacity**

As we add regions across the Americas, Asia, Europe and the Middle East, Google Cloud
Whenever we expand operations in a new country, we undertake thorough human-rights due diligence. This often includes external human-rights assessments, which identify risks that we review carefully and decide how to address. We maintain a clear position on requests from governments for access to data. We also recently announced the Trusted Cloud Principles initiative, led by Google, Amazon, Microsoft, and other technology companies, to protect the rights of customers as they move to the cloud.

From the beginning, Google’s mission has been to organize the world’s information and make it universally accessible and useful. Within Google Cloud, we aim to do the same for enterprise organizations, in ways that meet international and local standards. As the global landscape continues to evolve, we are committed to collaborating with human rights organizations and the broader technology industry to uphold human rights in every country where we operate. Learn more about our human rights efforts and global cloud infrastructure.

RELATED ARTICLE

Expanding our global footprint with new cloud regions

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March 1, 2022

Via e-mail at shareholderproposals@sec.gov

Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Re: Request by Alphabet Inc. to omit proposal submitted by Mari Mennel-Bell and co-filers

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, Mari-Mennel-Bell, Nina Wouk, Peter Meyer, Anita Fellman, Chad Eberle, and Aaron Strauss (together, the “Proponents”) submitted a shareholder proposal (the “Proposal”) to Alphabet, Inc. (Alphabet or the “Company”). In a letter from Jeffrey D Karp of Cleary Gottlieb Steen and Hamilton LLP, dated February 1, 2022 (the “No-Action Request”), Alphabet stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company’s 2022 annual meeting of shareholders. I am submitting a copy of this response to Mr. Karp.

SUMMARY

The Proposal requests that the Board of Directors commission a report assessing the siting of Google Cloud Data Centers in countries of significant human rights concern, and the Company’s strategies for mitigating the related impacts.

The letter from the Company first asserts that the Proposal is excludable as relating to the Company’s ordinary business operations. However, the Proposal addresses significant human rights concerns regarding the Company’s operations. These concerns transcend ordinary business, and the form of the Proposal does not seek to micromanage the Company but rather seeks appropriate transparency to investors as to the impacts and outcomes of the Company’s human rights impact assessments. The Company’s current level of disclosure does not allow investors and other stakeholders to understand the content of Company assessments and deliberations on significant human rights concerns as identified in the Proposal, and it is not micromanagement for investors to seek genuine transparency regarding impacts and mitigation measures as opposed to the vague disclosures of commitments and processes described in existing Company disclosures.

Alphabet has not met its burden of proving how the choice to locate new Cloud Data Centers in countries identified by the U.S. State Department as locations of significant human rights violations specifically tied to digital rights and governmental access of private data does not raise “significant social policy issues that transcend day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.”

The no action request also claims that the proposal is substantially implemented under Rule 14a-8(i)(10). The Proposal
asks the company to undertake and publish an assessment to determine the risks of operating in these sensitive locations and to identify the steps being taken to mitigate those risks, thus assuring shareholders that the risk to reputation, vulnerability to litigation and potential loss of revenue from enterprises and customers wishing to avoid association with human rights violations are minimized.

The Company in its filing as well as in its published policy documents also stresses “its longstanding commitment to respecting the rights enshrined in the Universal Declaration of Human Rights and its implementing treaties, as well as to upholding the standards established in the United Nations Guiding Principles on Business and Human Rights and in the Global Network Initiative Principles.”

However, despite the claims of transparency, the Company has not conformed to these very standards. In fact, the Proposal’s request is for the Company to provide the reporting and mitigation plans required by the UNGPHR and the GNI, with the transparency required by these standards regarding impacts and mitigation measures. The Proposal simply requests implementation in line with the agreements already endorsed by the Company.

The only evidence of “disclosure” the Company has provided is first, a copy of a letter to two Human Rights organizations stating the above commitment and claiming an assessment and mitigation plan have been completed but with no copy of either the assessment or the mitigation plan, and second, a print out of a “blog” post that mentions hiring beginning for the new region in Saudi Arabia but says nothing about a Human Rights Impact Assessment or mitigation plan for the location. Later in the blog post, and not specific to the Saudi location, the post states regarding human-rights due diligence for new locations generally the Company “often includes external human-rights assessments which identify risks that we review carefully and decide how to address.” but nowhere in this blog post has the Company published or shared such an assessment or resulting mitigation plan.

The Company has not met its burden of showing it is entitled to omit the Proposal, and the Proponents respectfully request that Alphabet’s request for relief be denied.

**THE PROPOSAL**

The resolved clause of the Proposal states:

**Resolved:** Shareholders request the Board of Directors commission a report assessing the siting of Google Cloud Data Centers in countries of significant human rights concern, and the Company’s strategies for mitigating the related impacts.

The report, prepared at reasonable cost and omitting confidential and proprietary information, should be published on the Company’s website within six months of the 2022 shareholders meeting.

The full Proposal is appended to this letter.
**ANALYSIS**

The Proposal is not excludable as relating to the Company’s ordinary business.

**RULE 14a-8(i)(7)**

The Company asserts that the Proposal addresses the ordinary business of the Company, arguing alternatively that the subject matter of the proposal relates to ordinary business, or that it seeks to micromanage the Company by requesting additional disclosures on human rights beyond those the Company has already disclosed.

However, when examining the Proposal against the Commission and Staff’s guidance on shareholder proposals, including ordinary business and micromanagement, it is evident that the proposal addresses a transcendent policy issue and does not micromanage or otherwise inappropriately address the Company’s ordinary business.

**Ordinary Business According to the Commission**

In 1998, the Commission issued a rulemaking release (“1998 Release”) updating and interpreting the ordinary business rule, by both reiterating and clarifying past precedents. That release was the last time that the Commission discussed and explained at length the meaning of the ordinary business exclusion. The Commission summarized *two central considerations* in making ordinary business determinations – whether the proposal addresses a significant social policy issue, and whether it micromanages.

First, the Commission noted that certain tasks were generally considered so fundamental to management's ability to run a company on a day-to-day basis that they could not be subject to direct shareholder oversight (e.g., the hiring, promotion, and termination of employees, as well as decisions on retention of suppliers, and production quality and quantity). However, proposals related to such matters but *focused on sufficiently significant social policy issues* (i.e. significant discrimination matters) generally would *not* be excludable.

Second, proposals could be excluded to the extent they seek to "micromanage" a company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would be unable to make an informed judgment.

Proposals that passed the first prong but for which the wording involved some degree of micromanagement could be subject to a case-by-case analysis of *whether the proposal probes too deeply* for shareholder deliberation. The Staff’s interpretation of micromanagement has evolved over the years, most recently articulated in the November 3, 2021 Staff Legal Bulletin 14 L. To assess micromanagement going forward, the bulletin notes that the Staff:

> will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management. **We would expect the level of detail included in a shareholder proposal to be consistent with that needed to enable investors to assess an issuer's impacts, progress towards goals, risks or other strategic matters appropriate for shareholder input.**

***

Additionally, in order to assess whether a proposal probes matters "too complex" for shareholders, as a group, to
make an informed judgment, we may consider the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic. The staff may also consider references to well-established national or international frameworks when assessing proposals related to disclosure, target setting, and timeframes as indicative of topics that shareholders are well-equipped to evaluate.

In this instance, the proposal exclusively addresses a significant policy issue, human rights impacts, and it does not seek to micromanage within the meaning of the Staff and Commission interpretations.

**Staff precedents demonstrate that the focus of the proposal addresses a transcendent policy issue.**

The focus of the proposal is consistent with numerous Staff determinations that have found proposals to transcend ordinary business. The Proposal is consistent with numerous Staff precedents seeking disclosure on human rights impact and mitigation in countries with severe human rights risks.

The line of relevant decisions finding non-excludability of human rights impact assessment under Rule 14a-8(i)(7) goes back at least to *Unocal Corporation* (March 11, 1996) where the proposal asked the Company to issue a statement of policies relating to investment in countries with a history of serious human rights violations. Where companies already have had such policies in place, request for review and adoption of additional policies has been permissible. Halliburton Co. (March 9, 2009) The proponents recommended that recommend the review include:

1. A risk assessment to determine the potential for human rights abuses in locations, such as the Middle East and other war-torn areas, where the company operates.
2. A report on the current system in place to ensure that the company’s contractors and suppliers are implementing human rights policies in their operations, including monitoring, training, addressing issues of non-compliance and assurance that trafficking-related concerns have been addressed.
3. Halliburton’s strategy of engagement with internal and external stakeholders.

This followed a model of a prior proposal at the Company, Halliburton Co. (February 26, 2001) which found not excludable under Rule 14a-8(i)(7) a proposal that urged the board to have an independent committee of directors prepare a report that describes projects undertaken by the Company or its subsidiaries in Burma, with an emphasis on what steps have been taken to assure that neither Halliburton nor its subsidiaries is involved in or appears to benefit from the use of forced labor or human rights abuses.

A similar proposal was also found nonexcludable under Rule 14a-8(i)(7) at *Apple Inc.* (December 14, 2015). The proposal requested that the board review the company's guidelines for selecting countries / regions for its operations and issue a report. The proposal further provides that the report should identify the company's criteria for investing in, operating in and withdrawing from high-risk regions.

Even a proposal that expressly seeks to ban a particular product or service of a company, a more restrictive approach than the current proposal, may transcend ordinary business if it clearly focuses on a significant policy issue relevant to the company. For example, in *Amazon.com Inc.* (March 28, 2019) a proposal that was clearly directed toward a company product was found non-excludable. The proposal requested that the board prohibit sales of facial recognition technology to government agencies unless the board concludes, after an evaluation using independent evidence, that the technology does not cause or contribute to actual or potential violations of civil and human rights, and an ordinary business exclusion similar to the Company Letter on the current proposal was rejected. It was rejected again on request for reconsideration.

The proponent noted: “The Company’s Amazon Web Services (AWS) segment is the leading cloud computing company, and is integrating facial recognition software to its services, which the Proposals assert is being done at
risk to civil liberties, privacy and public trust in the Company's products and services."

The fact that the proposal requests a report “assessing the siting of Google Cloud Data Centers in Countries of significant human rights concern” and “strategies for mitigating the related impacts” puts the proposal clearly and squarely in line with the precedents on other proposals requesting assessment of operations and investments in high risk regions.

Numerous prior Staff decisions recognize the propriety of seeking disclosure of impacts and mitigation measures. For example, in Amazon.com Inc. (Feb. 7, 2020), the Staff did not allow exclusion under Rule 14a-8(i)(7) of a proposal that requested the Amazon publish Human Rights Impact Assessment(s) that examine the actual and potential impact of one or more high-risk products sold by the company or its subsidiaries. The proposal recommended that the assessment include human rights standards and principles used to frame the assessment, actual and potential adverse impacts associated with the high-risk products, and an overview of how the findings would be acted upon in order to prevent, mitigate and/or remedy impacts.

In Amazon.com Inc. (March 25, 2015), the proposal urged the board to report on Amazon’s process for comprehensively identifying and analyzing potential and actual human rights risks of Amazon’s entire operations and supply chain (a human rights risk assessment) addressing the following: human rights principles used to frame the assessment; methodology used to track and measure performance; nature and extent of consultation with relevant stakeholders in connection with the assessment; and actual and/or potential human rights risks identified in the course of the human rights risk assessment related to Amazon’s use of labor contractors/subcontractors, temporary staffing agencies or similar employment arrangements (or a statement that no such risks have been identified). The Staff did not allow exclusion under Rule 14a-8(i)(7), noting that “[i]n our view, the proposal focuses on the significant policy issue of human rights.”

In Xcel Energy Inc. (March 7, 2002), the Staff did not allow exclusion under Rule 14a-8(i)(7) of a proposal that recommended to the board that it develop and implement policies and practices requiring that the company obtain future power supplies from increased efficiencies and renewable resources that do not have undue adverse environmental, socioeconomic, and human rights impacts upon Pimicikamak Cree Nation and other indigenous peoples.

In Citigroup Inc. (Feb. 21, 2008), the Staff did not allow exclusion under Rule 14a-8(i)(7) of a proposal that requested that the board authorize and prepare a report which discussed how policies address or could address human rights issues. The proposal stated that the report should review the current investment policies of Citigroup with a view toward adding appropriate policies and procedures to apply when a company in which Citigroup is invested, or its subsidiaries or affiliates, is identified as contributing to human rights violations through their businesses or operations in a country with a clear pattern of mass atrocities or genocide.

Micromanagement Analysis

It is clear from the above discussion that the current Proposal is in line with staff precedents in addressing a transcendent policy issue. Many of those precedents also rejected the argument that the proposals micromanaged the companies in the nature of their requests. Since the Staff recently issued Staff Legal Bulletin 14L with a clarified definition of micromanagement, we recognize that the analysis of whether a proposal micromanages comes down to two basic tests to determine whether a proposal “probes to deeply” for shareholders’ consideration:

Does the proposal frame the investor deliberation in a manner consistent with market discussions, available guidelines
and the state of familiarity/expertise on the issues in the investing marketplace?

Does it leave sufficient flexibility for board and management discretion?

Staff Legal Bulletin 14 L notes that in considering whether a proposal micromanages, the Staff will consider whether the deliberation posed by the proposal in question is consistent with current investor discourse and credible national or international guidelines:

"We would expect the level of detail included in a shareholder proposal to be consistent with that needed to enable investors to assess an issuer's impacts, progress towards goals, risks or other strategic matters appropriate for shareholder input."

"In order to assess whether a proposal probes matters "too complex" for shareholders, as a group, to make an informed judgment, we may consider the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic. The staff may also consider references to well-established national or international frameworks when assessing proposals related to disclosure, target setting, and timeframes as indicative of topics that shareholders are well-equipped to evaluate."

In this instance, it is appropriate for shareholders to deliberate on whether the company should live up to its human rights commitments. Numerous investor commitments, as well as the international guidelines cited in the proposal, encourage investors to assess human rights risks at their companies and therefore necessitate investor engagement and inquiry on these issues. The Company’s existing disclosures do not shed enough light on impact and mitigation measures to inform investors as to how the Company is managing these significant human rights concerns.

Also, the Proposal does not probe too deeply or inappropriately limit the discretion of the board and management. It does not limit board and management deliberation or options in addressing human rights risks, or require the company to halt or modify any particular contracts or arrangements, but only to provide transparency on how it is addressing human rights impacts and mitigation.

"ii. There are significant human rights concerns that “transcend day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.”"

The Company Letter cites to a letter and blog post that it misleadingly claims to fulfill the proposal. Both the letter and the blog post cite the Company’s commitment to certain international Human Rights standards - the UN Guiding Principles on Business and Human Rights and the Global Network Initiative Principles. In the referenced letter to Mr Micek and Mr Krishnamurthi the Company states that

"Consistent with our standard practices, an independent human rights assessment was conducted for the Google Cloud Region in Saudi Arabia, and Google took steps to address matters identified as part of that review."

Unfortunately, the Company has not provided shareholders with a Human Rights Impact Assessment report that adheres to standards set by the international community for these locations or provided information on the planned mitigation of
human rights vulnerabilities identified in such reports. The Company does claim to have such a report for the Saudi Arabia location but has not identified the source or expertise of the assessors, has not published or shared this report with primary stakeholders and has not published the resulting mitigation plan it claims to have implemented.

Not only has the Company refused to share the assessment with Mr Micek or Mr Krishnamurthi nor with the balance of the 39 Human Rights organizations that have questioned the siting of this data center, it has not agreed to provide it to journalists reporting on this issue. The Company has also not provided information on what organization undertook that “independent human rights assessment” and it has not provided information on the “matters identified” or “steps [taken] to address matters identified as part of that review.

The need for transparency these organizations requested is referenced in a May 2021 article on the siting decision in *The Verge*: ¹

Even more important, the letter writers state, is conducting that investigation in the open, actually consulting with the people Google could inadvertently help Saudi Arabia to hurt, and speaking to groups in the country who can better understand the issues there.

The organizations cite several human rights violations that they argue should give Google pause. Saudi Arabia has a documented history of seeking to spy on and violate its citizen’s privacy, including allegedly recruiting Twitter employees to spy on the company from within. It’s also taken extreme and violent measures to silence dissent from people in positions to criticize, most recently with the murder and dismemberment of *Washington Post* journalist Jamal Khashoggi in 2018.

News coverage in the May 2021 edition of the global data center trade publication, *Data Center Dynamics*² noted that the Company “did not publish the assessment, nor did it say what steps it took.”

The same global trade publication noted on December 3, 2021 in new reporting on the Company’s plans to go ahead with the data center noted in an “**Update**” that “Google has confirmed that it conducted an assessment for the region. It will not make the assessment public.”

The seriousness of the potential risks and business impacts can be seen in the news media attention to the decision. Along with risks related to security and data privacy, *Bloomberg*³ raised concerns about the impact on employees of Alphabet choosing a site in Saudi Arabia, writing:

Google will start selling its cloud-computing services in Saudi Arabia through a deal with oil producer *Aramco*, risking a backlash from staff who oppose doing business with the fossil fuel industry or regimes accused of human rights abuses.

The partnership gives *Alphabet Inc.*’s Google regulatory clearance to set up what it calls a “cloud region” in the

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Kingdom, the companies said on Monday. Employees at Google have called on the company to abstain from work in the oil and gas industry, citing environmental concerns, and work with authoritarian regimes.

Later that year, Google released a set of public principles for its technology and artificial intelligence after staff protests over its work. That included a prohibition on AI systems “whose purpose contravenes widely accepted principles of international law and human rights.”

CNN Business reported:

Google announced plans late last year to establish a "cloud region" in Saudi Arabia in partnership with Saudi Aramco. Google (GOOGL) said that services offered as part of its agreement with the mammoth state oil company would allow businesses in the region to "confidently grow and scale their offerings."

But groups including Amnesty International and Human Rights Watch have criticized the deal, citing concerns raised following the 2018 killing of journalist Jamal Khashoggi and allegations that Saudi Arabia uses cyber tools to spy on dissenters.

"There are numerous potential human rights risks of establishing a Google Cloud region in Saudi Arabia that include violations of the rights to privacy, freedom of expression and association, non-discrimination, and due process," the groups said in a statement on Wednesday…

The rights groups want Google to engage in "meaningful consultation with potentially affected groups, including human rights organizations from the region" as part of a review and to publish the findings. They also want Google to specify how it would handle any requests from the Saudi government that are "inconsistent with human rights norms."

And Business Insider noted:

The stated fear among campaigners is not that Google will directly assist Saudi authorities' attempts to silence dissent, but that those authorities have shown no qualms about infiltrating technology companies — and demanding that they hand over user data. In at least one case, the Saudi government appears to have placed spies within a US social media company, Twitter, to obtain information it could not get through legal means.

This reference to placing “spies” at Twitter refers to the Saudi’s alleged previous recruitment and use of Twitter employees to spy on government opposition figures during their employment. As the Brooking Institute Senior Fellow Wittes told the Washington Post:

The case shows “just how early” the pursuit of [Crown Prince] Mohammed [bin Salman Al Saud’s] critics began as

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well as “a willingness to pursue these people even when it involves the subversion of major American corporations and the targeting of people in friendly countries,” said Brookings Institution senior fellow Tamara Cofman Wittes.

And as CBS\(^7\) reported:

In the new indictment, the U.S. government provides more detail on whose information was allegedly taken. According to the new indictment, Abouammo and Alzabarah accessed information on the accounts of journalists, celebrities, and public interest and branded organizations in the Middle East.

This example of the Kingdom’s government’s use of spies placed inside a similar U.S. based technology platform in order to access the private information of human rights activists has already had disastrous consequences\(^8\) and has led to litigation against Twitter:

In a previous interview, Al-Ahmed told Insider that the hack had led to his sources back in Saudi Arabia being killed, tortured, or disappeared.

"It is very distressing and it really hurts me greatly because I know some of them have died, many have been tortured, and remain behind bars," al-Ahmed told Insider.

"The difference between their being free, or not free, is our connection on Twitter."

One of those killed, al-Ahmed told Insider, is Abdullah al-Hamid, the founder of the Saudi Civil and Political Rights Association, a human-rights group in the kingdom. Al-Hamid died in Saudi state custody in April 2020.\(^9\)

This case highlights the importance of a thorough and independent human rights assessment and an adequate mitigation plan for Alphabet in a location with such a history of poor human rights. While in the Twitter case the Saudi government had to place spies inside Twitter operations, Alphabet would potentially be even more vulnerable with a data center located in the Kingdom, built by the Saudi government owned Aramco and staffed primarily by Saudi staff.

**Substantial Implementation has not been established**

In the Company’s No Action letter, Alphabet also bases the exclusion on our Proposal on a claim of substantial implementation. The only evidence provided is a letter to two human rights activists and a link to a “blog” on the Google Cloud webpages. As noted above, the Company has not provided shareholders with a Human Rights Impact Assessment report that adheres to standards set by the international community for these locations or provided information on the planned mitigation of human rights vulnerabilities identified in such reports. The Company does claim to have such a report for the Saudi Arabia location but has not identified the source or expertise of the assessors, has not published or shared this report with primary stakeholders and has not published the resulting mitigation plan it claims to have implemented.


\(^8\) Bostock, B. "A Saudi dissident sued Twitter for a 2nd time, saying spies at the firm hacked his account and leaked his contacts’ names to the kingdom” October 15, 2021. https://www.businessinsider.com/saudi-dissident-sues-twitter-second-time-account-hack-2021-10
The essential purpose of the proposal, transparency of outcomes, is made clear in the background section of the Proposal that despite the Company’s commitments:

…the company's decisions regarding siting of cloud data centers in human rights hot spots are occurring behind closed doors and without the promised transparency. A report sufficient to fulfill the essential objectives of this proposal would examine the scope, implementation, and robustness of the company’s human rights due diligence processes on siting of cloud computing operations. It would assess, with an eye toward the rights enshrined in the Universal Declaration of Human Rights, the standards established in the United Nations Guiding Principles on Business and Human Rights (UNGPs) and in the Global Network Initiative Principles (GNI Principles), the priorities and potential impacts on people, any mitigating actions, any tracking of outcomes, and whether the company identifies and engages rights-holders to ensure that its human rights efforts are well informed.

Instead of providing the transparency promised by the UNGP and GNI, the company’s disclosures amount to repetitive declarations of commitments without the disclosures contemplated by those guiding principles.

**i. The Company is not meeting its own commitments to shareholders regarding human rights**

The Company has committed to a series of robust human rights standards “when expanding operations into new locations.” The Company’s argument that it has substantially implemented the Proposal based on the actions reported is misleading, because the Company’s existing actions do not comport with the referenced standards. The Company’s claims that its existing disclosures provide implementation of the proposal, or meet the essential purpose, would be misleading to investors given the gap between the Company’s actions to date and the standards it has committed to.

One of the human rights standards cited in the No Action letter as a sign the Company has substantially implemented our request is the UN Guiding Principles on Business and Human Rights.

Human Rights Watch, in May 2021, notes an important area of business concern as well as the Company's lack of implementation of a core feature of that standard, writing:

Human Rights Watch wrote to Google in February 2021 highlighting these and related concerns, including asking how Google will vet employees who will have access to information stored in the Saudi Arabia Cloud region and how they will respond to authorities’ requests for user data that are legal under Saudi law but do not comply with international human rights standards.

In separate replies, Google reiterated its commitment to human rights, stated that an independent human rights assessment for the Google Cloud region in Saudi Arabia had been conducted, and that the company took steps to address matters that were identified, but Google did not specify what those steps were.

The UNGPs specify that human rights due diligence should involve meaningful consultation with potentially affected groups and other relevant stakeholders, and that companies should communicate how impacts are being
addressed.

As Human Rights Watch notes, the UN Guiding Principles on Business and Human Rights[^9] which Alphabet has affirmed as a sign of its substantial implementation includes transparency standards which Alphabet has not met. These include, according to a commentary on UNGP section 21:

> Formal reporting by enterprises is expected where risks of severe human rights impacts exist, whether this is due to the nature of the business operations or operating contexts. The reporting should cover topics and indicators concerning how enterprises identify and address adverse impacts on human rights. Independent verification of human rights reporting can strengthen its content and credibility. Sector-specific indicators can provide helpful additional detail. (emphasis added)

Alphabet also notes, in its policy statements on Human Rights and in its responses to the Human Rights organizations such as Access Now (above) who have asked for an assessment and information on mitigation related to our Company’s plans for a Data Center in Saudi Arabia. that it is a signatory of the Global Network Initiative (GNI). The GNI Core Principles[^10] require:

- Participants will be held accountable through a system of (a) transparency with the public and (b) independent assessment and evaluation of the implementation of these Principles.

The GNI further notes:

> Transparency about a company’s approach to these issues, including communication with other stakeholders, sends a valuable message to users about how the company implements its commitments to freedom of expression and privacy rights.

The Company has done no such thing.

In addition to the blog post referenced by the Company’s letter, the second document provided as evidence of implementation is a letter from Mr. Chavez responding to a letter from Mr. Micek of Access Now and Mr. Krishnamurthy of the Canadian Internet Policy and Public Interest Clinic. These are two of the international human rights groups who have been asking the company to provide a Human Rights Impact Assessment and mitigation plan if the Company would not reconsider its site selection since the project’s announcement.

In Mr. Chavez’ letter to Mr Micek and Mr Krishnamurthi which was attached to the Company’s response to our Proposal, the Company again describes its commitment to the international standards above and then writes:

> Consistent with our standard practices, an independent human rights assessment was conducted for the Google Cloud Region in Saudi Arabia, and Google took steps to address matters identified as part of that review.

[^10]: https://globalnetworkinitiative.org/gni-principles/
However the Company did not and has not:

- provided a copy of this assessment,
- identified the “independent” agency that conducted the assessment or
- detailed the “matters identified” and the “steps taken” to address them.

This lack of transparency clearly contravenes the standards detailed above which the company has cited as the basis of their implementation.

This is in line with the Company’s rating of only 48% from Ranking Digital Rights\(^\text{11}\) which noted in it’s latest rating:

**Human rights due diligence:** Google lacked evidence of conducting robust human rights due diligence on key aspects of its operations, including on possible human rights harms associated with its use of algorithmic systems and advertising-based business models. While it disclosed that it conducts risk assessments on some aspects of the regulatory environments in which it operates, it disclosed no evidence of assessing freedom of expression and information, privacy, and discrimination risks associated with the enforcement of its own policies, its targeted advertising policies and practices, and its use and development of algorithmic systems (G4).

The Company’s response to our Proposal does not provide evidence of substantial implementation given that the only evidence presented is a link to a blog post and a letter providing no substantial information. In both instances, the company relies on its stated commitment to several international human rights accords and yet each of those standards require activities the company specifically has not complied with. Our Proposal does not ask the Company to go beyond the agreements Alphabet itself identified as central to its human rights policy.

Our Proposal requests a Human Rights Impact Assessment and its publication to shareholders along with the Company’s mitigation plan for locations of significant human rights risk. The company has not provided the “independent human rights assessment” it references in its response, has not identified who conducted such an assessment or whether it complied with the various standards’ requirements for assessments to involve stakeholders and it has not provided any information on the mitigation steps the Company says were taken due to the information uncovered in that human rights assessment.

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(attached: Proposal)

\(^{11}\) 2020 Ranking Digital Rights Corporate Accountability Index  
https://rankingdigitalrights.org/index2020/companies/Google
Proposal

**Data Operations in Human Rights Hotspots**

**Resolved:** Shareholders request the Board of Directors commission a report assessing the siting of Google Cloud Data Centers in countries of significant human rights concern, and the Company’s strategies for mitigating the related impacts.

The report, prepared at reasonable cost and omitting confidential and proprietary information, should be published on the Company’s website within six months of the 2022 shareholders meeting.

**Supporting Statement:**

As shareholders we are concerned by Alphabet’s announced plans to expand data center operations in locations reported by the US State Department’s Country Reports on Human Rights Practices to present significant human rights violations.

These include Jakarta, Indonesia where opponents of the government face up to 18 months in prison for insulting the president or government officials online; Doha, Qatar where security forces interrogate social media users for tweets critical of government officials; and Delhi, India where the government frequently orders internet shutdowns and where Google’s Transparency report showed a 69% increase in government requests for user data in 2019.

Of particular concern is the plan to locate a Google Cloud Data Center in Saudi Arabia. The US State Department Country Report details the highly restrictive Saudi control of all internet activities and notes pervasive government surveillance, arrest, and prosecution of online activity. Human rights activists have reliably reported that “Saudi authorities went so far as to recruit internal Twitter employees in the US to extract personal information and spy on private communications of exiled Saudi activists.” Given this history and particularly the use of spyware to violate privacy rights of dissidents and the use of actual spies inside a similar platform (Twitter) to track US based exiled Saudi activists, the choice to locate here is particularly troubling.

When asked by human rights activists to address these concerns, our company stated that “an independent human rights assessment was conducted for the Google Cloud Region in Saudi Arabia, and Google took steps to address matters identified as part of that review.” While the company has declared that “Transparency is core to our commitment to respect human rights,” neither the Company's human rights assessment for Saudi Arabia nor the resulting actions have been made public.

**Alphabet’s Human Rights Policy notes that:**

In everything we do, including launching new products and expanding our operations around the globe, we are guided by internationally recognized human rights standards.

Yet, the company's decisions regarding siting of cloud data centers in human rights hot spots are occurring behind closed doors and without the promised transparency. A report sufficient to fulfill the essential objectives of this proposal would
examine the scope, implementation, and robustness of the company’s human rights due diligence processes on siting of cloud computing operations. It would assess, with an eye toward the rights enshrined in the *Universal Declaration of Human Rights*, the standards established in the *United Nations Guiding Principles on Business and Human Rights* (UNGPs) and in the *Global Network Initiative Principles* (GNI Principles), the priorities and potential impacts on people, any mitigating actions, any tracking of outcomes, and whether the company identifies and engages rights-holders to ensure that its human rights efforts are well informed.