

Stewardship

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ENGAGEMENT

COMPANY

Alphabet

THEME

Human Rights

ENVIRONMENTAL,
SOCIAL OR GOVERNANCE?

Social

SDG



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Who monitors human rights at YouTube?

Should YouTube simply broadcast everything its users upload, without oversight? Is a platform like Google allowed to publish anything? Questions like these touch on several human rights issues - think of the spread of fake news and its consequences.

Alphabet, the parent company of Google and YouTube, is one of the largest technology companies in the world and plays an important role in disseminating information. The omnipresent technology giant has huge power and influence in our society. But with great influence comes great responsibility: how does Alphabet go about assessing and filtering (dis)information? Alphabet's business model carries risks because the company generates revenue with advertising services aimed at its users. The company may face reputational damage, for instance.

Can we talk?

We invest in Alphabet and have initiated a dialogue with the company. How did this engage-

ment work, and what did it achieve? Mark Oud, portfolio manager in the Kempfen Sustainable Equity team, explains that Alphabet was reluctant initially: "We were concerned about the company's lack of transparency on human rights and the lack of direct Board oversight on these issues. This poses a risk - what is Alphabet doing to proactively identify and manage human rights risks? Can it publish anything? Is it desirable that users can call on people to storm the Capitol via a video?"

To raise our concerns, we contacted Alphabet in 2019. "However, we initially received no response to our emails", said Mark Oud. "Investor Relations was slow or unresponsive, and if a





response came at all, it was often a reference to an existing policy. In short, Alphabet was not open to a conversation.”

Will dialogue lead to change?

To put pressure on Alphabet, Van Lanschot Kempen joined several other shareholders in a co-filed resolution. Together, we put the issue on the agenda of the shareholders’ meeting in 2020. This resolution received strong support, but was not adopted at the time. However, the company did take up the issue and developed policies on the matter -

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a board-level committee has now been set up to monitor human rights risks.

“With this success in mind, we continued and still continue to monitor Alphabet”, says Mark Oud. “At the 2022 shareholders’ meeting, we submitted another resolution together with other shareholders, this time requesting an independent ‘Human Rights Impact Assessment’* report to investigate whether the current policy and its application are sufficient to prevent potential issues in this area. This resolution also received strong support.”

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

Van Lanschot Kempen engages with the companies in which we invest and encourage them to make sustainable changes. Our colleagues talk to companies about numerous strategic, financial, social, corporate governance and environmental issues.

We have established a framework for our engagement, in which key milestones are an important measure of progress. If the dialogue does not lead to improvement, we may disinvest from the company. Thus we want to contribute to the balance between People, Planet & Prosperity and increase our commitment and impact.



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