



By email to: [corporatesecretary@abc.xyz](mailto:corporatesecretary@abc.xyz)

December 14, 2020

Alphabet Inc.  
Attn: Corporate Secretary  
1600 Amphitheatre Parkway  
Mountain View, CA 94043

**RE: Shareholder proposal for 2021 Annual Meeting**

Dear Corporate Secretary:

The Unitarian Universalist Association, a shareowner of Alphabet, is hereby submitting the enclosed resolution for consideration at the upcoming annual meeting. Zevin Asset Management is the lead filer on behalf of their client and is authorized to withdraw the proposal on our behalf. The resolution requests that Alphabet consider clearly disclosed and comprehensive links between executive compensation and key sustainability factors of the company's design and choosing.

The Unitarian Universalist Association ("UUA") is a faith community of more than 1000 self-governing congregations that brings to the world a vision of religious freedom, tolerance and social justice. With roots in the Jewish and Christian traditions, Unitarianism and Universalism have been forces in American spirituality from the time of the first Pilgrim and Puritan settlers. The UUA is also an investor with an endowment valued at approximately \$200 million, the earnings from which are an important source of revenue supporting our work in the world. The UUA takes its responsibility as an investor and shareowner very seriously. We view the shareholder resolution process as an opportunity to bear witness to our values at the same time that we enhance the long-term value of our investments.

We submit the enclosed resolution for inclusion in the proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 for consideration and action by the shareowners at the upcoming annual meeting. We have held at least \$2,000 in market value of the company's common stock for more than one year as of the filing date and will continue to hold at least the requisite number of shares for filing proxy resolutions through the stockholders' meeting.

Verification that we are beneficial owners of the requisite shares of Alphabet will be provided on request. We defer to the Zevin Asset Management regarding all decisions on this proposal. You may contact me at (617) 620-0574 or [tbrennan@uua.org](mailto:tbrennan@uua.org).

Very truly yours,



Timothy Brennan,  
Special Advisor on Responsible Investing

Cc: Andrew McGeorge, UUA Treasurer & CFO  
Pat Tomaino, Zevin Asset Management

Enclosure: Shareholder resolution



**WHEREAS:** Studies suggest that companies that integrate environmental, social, and governance (ESG) factors into business strategy reduce reputational, legal, and regulatory risks and improve long-term performance. Leading companies have integrated sustainability metrics into executive pay plans, among them Unilever and Walmart. The UN Principles for Responsible Investment (2012) state that considering ESG factors in compensation can help protect long-term shareholder value.

Diversity, inclusion, and equity are key components of business sustainability and success:

- McKinsey research shows that companies in the top quartiles for gender and racial/ethnic diversity were more likely to have above-average financial returns (“Diversity Matters,” McKinsey & Company, 2015).
- In a 2013 Catalyst report, diversity was positively associated with more customers, increased sales revenue, and greater relative profits.

Yet technology companies have not seized this opportunity. Underrepresented people of color hold just 9 percent of technical roles in the sector (Intel/Dalberg, 2016). Women hold 36 percent of entry-level tech jobs and just 19 percent of C-suite positions (“Women in the Workplace,” McKinsey, 2016).

The tech diversity crisis threatens worker safety, talent retention, product development, and customer service. These human capital risks are playing out at Alphabet:

- In 2019, more than 2,000 Google workers “signed a petition to remove a member of the company’s newly formed council on artificial intelligence ethics for alleged anti-trans and anti-immigrant views.” (“Google loses diversity chief amid unrest over workplace issues,” *CNET*, April 2019)
- In December 2020, the former co-leader of Google’s “Ethical A.I. team” claimed that she was fired after criticizing shortcomings in Google’s approach to inclusive hiring and biases in artificial intelligence systems.

Alphabet has taken steps to address inclusion, but risks remain as our Company remains predominantly white and male. According to Google’s 2020 diversity report, underrepresented people of color account for only 7.9 percent of Google’s tech workforce and only 6.8 percent of leadership.

In 2020, CEO Sundar Pichai responded to ongoing structural racism and racist violence, including the murder of George Floyd, by announcing new goals and resources. This includes goals to increase representation of underrepresented groups at senior levels and “more than double the number of Black+ Googlers at all other levels by 2025.” However, it is not clear how that strategy is driven by executive accountability. Clearly disclosed, comprehensive links among sustainability, diversity, and executive compensation would help deliver change and improve human capital management.

Peers such as Microsoft, Intel, and IBM have already begun linking parts of compensation to diversity goals.

**RESOLVED:** Shareholders request the Board Compensation Committee prepare a report assessing the feasibility of integrating sustainability metrics, including metrics regarding diversity among senior executives, into performance measures or vesting conditions that may apply to senior executives under the Company’s compensation plans or arrangements. For the purposes of this proposal, “sustainability” is defined as how environmental and social considerations, and related financial impacts, are integrated into long-term corporate strategy, and “diversity” refers to gender, racial, and ethnic diversity.