

RESOLVED: Shareholders request the Alphabet Inc. Board of Directors within the next year conduct an evaluation and issue a report (at reasonable cost, omitting proprietary information) describing if, and how, its lobbying activities (directly and indirectly through trade associations and social welfare and nonprofit organizations) align with the Paris Agreement’s ultimate goal to limit average global warming to 1.5° C. The report should also address Alphabet’s plans to mitigate the risks presented by any misalignment.

SUPPORTING STATEMENT

Recent UN reports highlight the critical gaps that remain between national governments and the actions necessary to prevent the worst effects of climate change.¹ Companies have a crucial role to play in empowering policymakers to close these gaps, and investors need clear information on how companies are taking action to do so.

Investors and stakeholders are increasingly scrutinizing potential misalignment between companies’ climate commitments and policy advocacy.² Corporate lobbying activities inconsistent with meeting the goals of the Paris Agreement present regulatory, reputational and legal risks. Such policy engagement also presents systemic risks to economies and markets, as delayed implementation of the Paris Agreement increases the physical risks of climate change, undermines economic stability and introduces into investment portfolios uncertainty and volatility.

Alphabet publicly supports the goals of the Paris Agreement, advocates for specific science-based climate policies, leads investment in carbon-free energy, and recently announced a new policy for Google advertisers, publishers and YouTube creators “that will prohibit ads for, and monetization of, content that contradicts well-established scientific consensus around the existence and causes of climate change.”³ Alphabet also discloses a list of its memberships in trade associations and policy-focused non-profits. Alphabet does not, however, disclose sufficient information as to how it ensures lobbying practices (directly and indirectly via these groups) align with the Paris Agreement’s aims.

Of particular concern are industry and policy groups that represent business but too often present obstacles or obfuscations that impede global emissions reductions. A review of Alphabet’s disclosed memberships⁴ reveals concerning inconsistencies with Alphabet’s actions on, and commitments to, the Paris Agreement and the prevailing science.^{5,6,7} An alignment assessment can help to identify and address risks presented by misalignment and protect the credibility of Alphabet’s leadership efforts on climate. We believe Paris-aligned lobbying helps mitigate these risks and contributes positively to the long-term value of companies.

Unabated climate change characterized by “business as usual” scenarios of 3-4°C or greater will have unacceptable and far-reaching economic, environmental, and societal implications. As investors, we view fulfillment of the Paris Agreement’s stated goals as an economic imperative.

Thus, we urge the Board and management to conduct a comprehensive review of Alphabet’s lobbying and public policy activity, assessing the degree of alignment with the Paris Agreement’s objectives, and detailing clear plans for action to address any misalignment.

¹ <https://www.unep.org/resources/emissions-gap-report-2021>

² <https://www.politico.com/news/2021/04/20/investors-corporate-climate-lobbying-activity-483429>

³ <https://support.google.com/google-ads/answer/11221321?hl=en>

⁴ <https://kstatic.googleusercontent.com/files/565eb487f8cf9f96af89a4147ee79eb4cf3989d3c3953197b1e36e65e132b57ffaebccfb03ed62c57b8ffc5cd83654686f6b5160a97d3b561bc65ce5206012e9>

⁵ <https://cei.org/sites/default/files/20170508%20CEI%20Paris%20Treaty%20with%20logos%20-%2044%20Final.pdf>

⁶ <https://www.aei.org/politics-and-public-opinion/its-time-to-cancel-the-climate-crisis/> (Nov. 12, 2021)

⁷ <https://www.cato.org/public-comments/public-comments-request-public-input-climate-change-disclosures#>;
<https://www.cato.org/briefing-paper/what-should-policymakers-do-about-climate-change#externalities-limits-private-approaches-dealing-carbon-emissions>

⁸ <https://www.heritage.org/renewable-energy>