

[Alphabet, Inc.: Rule 14a-8 Proposal, December 21, 2021]

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ITEM 4*: Report on external costs of disinformation

RESOLVED, shareholders ask that the board commission and disclose a report on (1) risks created by Company business practices that prioritize internal financial return over healthy social and environmental systems and (2) the manner in which such risks threaten the returns of its diversified shareholders who rely on a productive economy to support their investment portfolios.

Supporting Statement:

Google is the largest digital advertisement company in the world. It plays a critical role in the disinformation ecosystem by providing an ad revenue stream for propaganda producers.

A recent article notes, “The reason that a lot of dangerous misinformation exists is that it is, unfortunately, quite lucrative: Fake news brings real clicks, and with that comes real dollars in the form of ad revenue.”¹ As an information science expert explains, “ad-driven search engines... are designed to reward clicking on enticing links... [T]his dangerous combination of corporate profit motive and individual susceptibility makes the problem difficult to fix.”²

A November 2021 report reveals that the ten most prolific publishers of climate disinformation generated up to \$5.3 million in Google Ads revenue in just six months.³ Another recent report, “Endangering Women for Profit,” found that “Google places misleading and dangerous ads for so-called abortion ‘reversal’—an unproven and potentially harmful medical procedure—“on 83% of searches for abortions.”⁴

Disinformation affects users’ perceptions, and these perceptions affect social institutions and the ability of the global community to address potentially catastrophic threats. These harms matter to shareholders, most of whom diversify their investments to optimize return. Diversified shareholders lose when companies harm the economy, because the value of a diversified portfolio rises and falls with GDP.⁵ While the Company may profit by inflicting social and environmental costs, its diversified shareholders pay the bill.

We ask the Company for a report identifying and analyzing areas where the Company’s practice of optimizing its own financial returns is opposed to the interests of its diversified shareholders in a healthy economy. This will help shareholders understand where the Company’s prioritization of profits before people creates a financial risk to their portfolios. Such a report would not need to provide precise numbers: identifying areas where the Company creates systemic risk and analyzing how those risks

¹ <https://slate.com/technology/2021/11/google-ads-misinformation-defunding-artificial-intelligence.html>

² <https://theconversation.com/its-not-just-a-social-media-problem-how-search-engines-spread-misinformation-152155>

³ https://www.counterhate.com/_files/ugd/f4d9b9_2da34b078cbe43b6820297e3a3113f69.pdf

⁴ https://www.counterhate.com/_files/ugd/f4d9b9_87b1482552a140a880d86f7d2d2e6f2a.pdf

⁵ https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf; cf. <https://www.advisorperspectives.com/dshort/updates/2020/11/05/market-cap-to-gdp-an-updated-look-at-the-buffett-valuation-indicator> (total market capitalization to GDP “is probably the best single measure of where valuations stand at any given moment”) (quoting Warren Buffet).

might manifest as economic costs that threaten diversified portfolios would be highly useful to shareholders.

Please vote for: Report on external costs of disinformation – Proposal 4*

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[*Number to be assigned by the Company]