BlackRock.

Investment Stewardship Group

Voting Bulletin: Alphabet, Inc.

As part of our fiduciary duty, BlackRock's Investment Stewardship team (BIS) advocates for sound corporate governance and business practices that are aligned with long-term sustainable financial performance. This objective underpins all our engagements and votes at company meetings.

We engage company leadership on key topics emphasizing governance practices including management of environmental and social factors that potentially have material economic, operational or reputational ramifications for the company.

We determine our engagement priorities based on our observation of market developments and emerging governance themes and evolve them year over year as necessary. The BIS team's key engagement priorities include:

1. Board quality
2. Environmental risks and opportunities
3. Corporate strategy and capital allocation
4. Compensation that promotes long-termism
5. Human capital management

We are committed to enhancing the transparency of our stewardship practices. Where we believe it will help to understand our voting decisions at shareholder meetings, we will publish a Voting Bulletin explaining the rationale for how we have voted on select resolutions, and (where relevant) provide information around our engagement with the issuer.

Company	**Alphabet, Inc.**
Market	United States
Meeting Date	3rd June 2020
Key Resolutions[1]	**Item 1.8:** Elect Director Ann Mather **Item 5:** Shareholder Proposal to Approve Recapitalization Plan for all Stock to Have One-vote per Share
Board Recommendation	The company recommends shareholders vote FOR all management proposals and AGAINST all shareholder proposal.
BlackRock Vote	BIS voted AGAINST Director Mather due to excessive board commitments. We voted FOR the shareholder proposal asking for the recapitalization plan as we generally support one share one vote capital structures. BIS supported management on all remaining agenda items.

[1] Full meeting agenda and resolutions can be accessed at https://abc.xyz/investor/other/annual-meeting/

Overview

Alphabet, Inc. (Alphabet) is a collection of businesses — the largest of which is Google, which is a global technology platform for advertisers, agencies, and publishers to power their digital marketing offerings. Google diversifies its revenues beyond advertising through other businesses including Google Cloud, Google Play, hardware, and YouTube. Alphabet reports all non-Google entities collectively as Other Bets, which are emerging businesses at various stages of development, ranging from those in the research and development phase to those that are in the beginning stages of commercialization.

BIS regularly reviews Alphabet's governance structure and risk profile. In prior engagements with the company's board and management, we have discussed a range of material issues driving long-term shareholder value, including corporate governance, sustainability, content governance, and human capital management.

For this voting season, we continued to engage Alphabet on governance and human capital management and also discussed sustainable business practices.

Rationale for BlackRock vote

Item 1.8: Elect Director Ann Mather (AGAINST)

BIS has a longstanding focus on board effectiveness. Board members should be able to contribute effectively to the board as corporate strategy evolves and business conditions change, and all directors, regardless of tenure, must demonstrate appropriate engagement in their duties. Serving on an excess number of boards limits a director's capacity to focus on issues important to each company.

As we explain in our proxy voting guidelines for U.S. securities, we expect non-CEO directors to serve on a total of no more than four public company boards. Since Ms. Mather sits on five public boards, we consider her over-committed and voted against her re-election to the Board of Directors.

Item 5: Shareholder Proposal to Approve Recapitalization Plan for all Stock to Have One-vote per Share (FOR)

The proposal asks that Alphabet's *"Board take all practicable steps in its control to initiate and adopt a recapitalization plan for all outstanding stock to have one vote per share. We recommend that this be done through a phase-out process in which the board would, within seven years or other timeframe justified by the board, establish fair and appropriate mechanisms through which disproportionate rights of Class B shareholders could be eliminated. This is not intended to unnecessarily limit our Board's judgment in crafting the requested change in accordance with applicable laws and existing contracts."*

BIS believes that certain fundamental rights such as effective voting rights should be attached to share ownership. Companies and their boards should be accountable to shareholders and structured with appropriate checks and balances to ensure that they operate in shareholders' interests. As we note in our proxy voting guidelines, we strongly prefer a "one vote for one share" capital structure for publicly-traded companies. We prefer this capital structure as it provides control proportionate to shareholders' capital at risk and is thus more aligned with our clients' interests. While we recognize the potential benefits of dual class shares to newly public companies as they establish themselves, we believe that these structures should have a specific and limited duration for well-established public companies such as Alphabet.

Although our vote in support of the shareholder proposal to introduce a one share, one vote capital structure is diluted under the current dual class structure, we believe it is important to send a clear signal that proportionate voting rights are integral to good governance and accountability.

Additional ballot items

The company also received the following nine shareholder proposals:

Item 6: Shareholder proposal regarding a report on arbitration of employment-related claims

Item 7: Shareholder proposal regarding the establishment of a human rights risk oversight committee

Item 8: Shareholder proposal regarding non-binding vote on bylaw amendments

Item 9: Shareholder proposal regarding report on sustainability metrics and executive compensation

Item 10: Shareholder proposal regarding report on takedown requests

Item 11: Shareholder proposal regarding majority vote for election of directors

Item 12: Shareholder proposal regarding report on gender/racial pay equity

Item 13: Shareholder proposal regarding the nomination of human rights and/or civil rights expert to Board

Item 14: Shareholder proposal regarding report on whistleblower policies and practices

BlackRock determined that Alphabet is currently taking sufficient steps to address the material issues raised in the shareholder proposals items 6-14:

The company is adequately addressing human capital management practices and disclosure issues raised in Items 6, 12, and 14 through several actions and policies. As of February 2019, Google no longer requires current or future employees to arbitrate any employment dispute, including, but not limited to, sexual harassment and assault claims.[2] For Item 12, Google has released an annual report on its pay equity analyses every year since 2016. The latest annual pay equity review was publicly released on December 9, 2019.[3] Related to Item 14, the company has policies in place to protect whistleblowers by thoroughly investigating allegations of retaliation and imposing discipline when they substantiate retaliation allegations. For the past six years, the company has annually shared an Internal Investigations Report with employees, which provides transparency into the type of concerns employees have raised, the number of concerns employees have raised, and how the company has resolved those concerns. We believe that the company's internal transparency addresses the issues raised in the shareholder proposal.

The company is addressing the human rights issues raised in items 7 and 13 through actions including Google's 2019 commissioning of a formal human rights impact assessment (HRIA) of the Celebrity Recognition tool, and technology's potential impact on human rights, through a collaboration with independent experts using the United Nations' Guiding Principles on Business and Human Rights as a framework. The HRIA played an essential role in shaping the capabilities and the policies established around them. The company publicly released a summary of the HRIA.[4] Moreover, the current structure of the Board and its committees allows for regular assessments on a variety of topics, including the potential impacts of its products and services on human rights. As a result of Google's enhanced disclosures and detailed board oversight of corporate operations, BIS does not have concerns regarding the company's commitment to human rights.

Regarding the governance matters addressed in Items 8 and 11, Section 109 of Delaware's General Corporation Law (where Alphabet is incorporated) already permits stockholders to unilaterally and independently adopt, amend, or repeal the bylaws of a corporation. As such, we do not consider Item 8 necessary or additive. For Item 11, a majority vote standard is in the best long-term interest of shareholders. It ensures director accountability

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[2] For more information, see: https://www.sec.gov/Archives/edgar/data/1652044/000130817919000205/lgoog2019_def14a.htm

[3] See Alphabet's 2019 Gender pay gap report: https://www.alphabet.com/files/2020-01/gender-pay-gap-report_2019.pdf

[4] See the Google Celebrity Recognition API Human Rights Assessment: https://www.bsr.org/reports/BSR-Google-CR-API-HRIA-Executive-Summary.pdf

via the requirement to be elected by more than half of the votes cast. However, given that Alphabet has a dual class, controlled structure, we believe supermajority voting may better protect minority shareholder interests. Should the company recapitalize to create a one share, one vote structure we would support simple majority voting.

With regards to Item 9, the Leadership Development and Compensation Committee already considers progress towards the company's sustainability goals in assessing the performance of executives.[5] The company reports attrition data externally in their Diversity Annual Report, which is used to help inform how they approach their diversity and inclusion efforts.[6]

For Item 10, Alphabet launched the Google Transparency Report in 2010 with the mission of sharing data that sheds light on how the policies and actions of governments and corporations affect privacy, security, and access to information. The Transparency Report is available in full on the company's website.[7] As a result of this enhanced disclosure, we believe the company has taken adequate precautions in relation to inappropriate content.

[5] See Alphabet's 2020 Proxy Statement: https://abc.xyz/investor/static/pdf/2020_alphabet_proxy_statement.pdf?cache=ce8ed0f

[6] See Google's 2020 Diversity Annual Report: https://kstatic.googleusercontent.com/files/25badfc6b6d1b33f3b87372ff7545d79261520d821e6ee9a82c4ab2de42a01216be2156bc5a60ae3337ffe7176d90b8b2b3000891ac6e516a650ecebf0e3f866

[7] See https://transparencyreport.google.com/