



LAPFF supports shareholder resolutions at Amazon, Meta, and Alphabet

Forum backs votes at tech AGMs over environmental and social concerns

The Local Authority Pension Fund Forum (LAPFF) has issued voting alerts ahead of the Amazon, Meta, and Alphabet AGMs in favour of shareholder resolutions that highlight governance, human rights, and climate concerns at these companies.

A slew of shareholder resolutions were filed at all three companies, calling for accountability for environmental, social and governance (ESG) impacts. On the governance issue, all three companies have multiple share classes that overwhelmingly favour the founder owners and provide them with disproportionate voting power. LAPFF supports a more equitable 'one share, one vote' structure that would provide better accountability for these insular boards. The Forum also recommended voting in favour of a resolution calling on the Amazon board to issue a tax transparency report in line with the GRI Tax Standard, requiring country-by-country reporting. Around 21 percent of independent shareholders voted in favour.

In relation to social considerations, LAPFF supported multiple resolutions seeking to clarify concerns about negative social impacts for the companies' workforces, customers and wider society. One such resolution called for Amazon to issue a report on how its policies impact the fundamental rights of freedom of association and collective bargaining.

On environmental commitments, a shareholder resolution at Alphabet highlighted the company's shortcomings regarding climate lobbying. The company has failed to meet LAPFF expectations surrounding the disclosure of policies for discontinuing membership and issuing statements that distance the company from industry associations where positions diverge considerably from Alphabet's.

LAPFF's view is that whilst the companies set out their commitments, principles, allocated resources, and programmes to address these issues, there is a significant gap between these pledges and the impacts the companies have on society and the environment. The companies themselves provide very little disclosure of whether their commitments and activities are successful or not, and consequently whether they are cost-effective.

There is further concern that these companies do not meaningfully engage with all relevant stakeholders, including shareholders, and do not approach ESG considerations in a systemic manner.

Councillor Doug McMurdo, LAPFF Chair, said:

“These companies have grown in size and power, exerting huge influence on our lives and politics. So the opaque governance models and lack of consideration for shareholder input in board decision-making raise huge concerns. LAPFF’s voting recommendations reflect a failure to recognise the continuous and often systemic disparities between corporate policies and the potential and actual social and environmental impacts of these companies’ products and activities in corporate disclosures. That failure to communicate leaves investors in the dark, unaware of whether their money is being spent to actually help people and to further investors’ financial interests.”

LAPFF has therefore recommended votes in favour of most of the shareholder resolutions, particularly those with a focus on board accountability and those calling for reports on social and environmental impacts of these companies. These requests are moral imperatives but are also financially material.

The Alphabet AGM takes place on Wednesday, 1 June, and LAPFF will watch with interest to see if there is a repeat of the strong shareholder votes that occurred at the Amazon and Meta AGMs on Wednesday, 25 May.

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