

Gender Pay Equity

Whereas:

The median income for women working full time in the United States is reported to be 79 percent of that of their male counterparts. This 10,800 dollar disparity can add up to nearly half a million dollars over a career. The gap for African America and Latina women is 60 percent and 55 percent respectively. At the current rate, women will not reach pay parity until 2059.

A 2016 *Glassdoor* study finds an unexplained 5.9 percent gender pay gap in the Information Technology industry after statistical controls, noting “many tech ... jobs top the list for largest gender pay gaps.” *Glassdoor* reports women Senior Software Engineers at Google earned 25,104 dollars less than their male counterparts in 2014. Recruiting firm Dice reports men in the technology industry earned nearly 10,000 dollars more than women on average in 2014.

In the tech industry, only 36 percent of women hold entry level positions and female representation declines as job title advances, with only 19 percent in c-suite positions (2016 McKinsey & Co).

At Alphabet, approximately 31 percent of our Company’s employees are women, and women account for only 24 percent of our firm’s leadership.

A large body of evidence suggests diversity in leadership leads to better performance. McKinsey & Company states, “the business case for the advancement and promotion of women is compelling” and has found companies with highly diverse executive teams boasted higher returns on equity, earnings performance, and stock price growth. Best practices to address this underleveraged opportunity include “tracking and eliminating gender pay gaps.”

Mercer finds actively managing pay equity “is associated with higher current female representation at the professional through executive levels and a faster trajectory to improved representation.”

Regulatory risk exists as the Paycheck Fairness Act pending before Congress. The Equal Employment Opportunity Commission has proposed rules requiring wage gap reporting. California, Massachusetts, New York, and Maryland have passed some of the strongest equal pay legislation to date.

The *Wall Street Journal* reports, “Research attributes salary inequalities to several factors—from outright bias to women failing to ask for raises.” A Harvard University economist concluded the gap stems from women making less in the same jobs. As much as 40 percent of the wage gap may be attributed to discrimination.

S&P 500 companies including Intel, Apple, Expedia, and eBay have publically reported and committed to gender pay equity.

Resolved: Shareholders request Alphabet prepare a report by November 2017 (omitting proprietary information, prepared at reasonable cost) on the Company’s policies and goals to reduce the gender pay gap.

The gender pay gap is defined as the difference between male and female median earnings expressed as a percentage of male earnings (Organization for Economic Cooperation and Development).

Supporting Statement: A report adequate for investors to assess Alphabet’s strategy and performance would include the percentage pay gap between male and female employees across race and ethnicity, including base, bonus and equity compensation, policies to address that gap, methodology used, and quantitative reduction targets.