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Alphabet, Inc. Finalizes \$310 Million Settlement for Sexual Harassment Cases
Google Parent Company Commits to Policy Changes, Allocates Funds to Diversity Initiatives

La Jolla, CA. Sept. 25, 2020. Bottini & Bottini, Inc. announces a \$310 million settlement with Alphabet, the parent company of Google, Inc., to resolve litigation related to sexual harassment and misconduct. The settlement, which provides for significant changes to company policy and commits the funding to diversity, equity and inclusion efforts, is the largest and most holistic settlement in a shareholder derivative case stemming from sexual misconduct or harassment.

"This historic settlement, being announced on a day when the Hon. Ruth Bader Ginsberg is lying in State, will help protect female workers at Google and throughout Silicon Valley for years to come," said Frank A. Bottini, Co-Lead Counsel for the Plaintiffs.

In January 2019, a coalition of law firms filed a series of lawsuits on behalf of Alphabet shareholders against the company. This litigation alleged that the company's current and former board members and officers participated in or acquiesced to a culture that fostered a long-standing pattern of sexual harassment and discrimination. Plaintiffs held that the directors' and officers' actions breached their fiduciary duties to shareholders, employees and users by reputationally and financially damaging the company.

The lead case, *In re Alphabet Inc. Shareholder Derivative Litigation*, Lead Case No. 19CV341522, was presided over in the Santa Clara Superior Court by the Hon. Brian C. Walsh. A working group comprised of attorneys Julie Reiser from <u>Cohen Milstein</u>, Frank Bottini from <u>Bottini & Bottini, Inc.</u> and Louise Renne and Ann Ravel from <u>Renne Public Law Group</u> led the settlement negotiations. The Hon. James P. Kleinberg (Ret.) of JAMS served as the mediator.

The settlement provides for a \$310 million funding commitment by Alphabet to diversity, equity and inclusion over 10 years - the largest-ever public commitment by a tech company to these efforts. It also eliminates mandatory arbitration for all Alphabet companies in any harassment, discrimination or retaliation-related dispute and limits Google's use of non-disclosure agreements.

Additionally, the settlement creates a Diversity, Equity and Inclusion Advisory Council, requires the adoption of best-in-class employment policies related to sexual harassment and misconduct and mandates sexual harassment and fiduciary duty training for the Board. Alphabet is also required to amend the charter of the Leadership Development and Compensation Committee to make explicit the committee's mandate to promote a workplace environment free from employee discrimination.

"With this settlement and the significant institutional changes Alphabet has made recently, the company is entering a new chapter," said Louise Renne, a member of Plaintiffs' Executive Committee. "There have been shifts in leadership, and Alphabet has increased diversity on its board by adding two women, including one Black woman. I'm optimistic that this settlement will catalyze deeper institutional shifts at Alphabet and set a high bar for diversity, equity and inclusion efforts in Silicon Valley and beyond."