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CORPORATION COMMITTEE ON SHAREHOLDER RESPONSIBILITY**

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Proxy Voting Guidelines for External Managers

Topic: Technology & Media OR Human Rights
Subtopic: Data Privacy
Approved: April 3, 2025

Description:

Resolutions on this topic may ask companies to disclose their data privacy policies, conduct audits or assessments of certain data privacy risks, or implement data privacy principles or standards.

Topic background:

Data privacy is the right of individuals to control how their personal information is collected, used, shared, and stored by various entities, such as corporations and governments. It concerns not only the protection of sensitive information, such as financial, health, or biometric data, but also the respect for individuals' preferences, choices, and values regarding their data.

Data privacy has become an increasingly important issue in the digital age as more data are generated and processed by online platforms, mobile applications, devices, and services. Data privacy for children and teens raises distinctive concerns. Companies must balance their legitimate business interests with the rights and expectations of their stakeholders such as customers and employees. Some proponents of shareholder resolutions on this topic are concerned that a company's data collection efforts violate individuals' civil rights by unfairly and disproportionately targeting and surveilling people of color, immigrants, or civil society organizations.

Shareholder resolutions aim to address companies' practices regarding the collection, use, disclosure, and protection of personal data. These resolutions may request companies disclose their data privacy policies, conduct audits or assessments of their data privacy risks, implement data privacy principles or standards, adopt data minimization or deletion practices, enhance data security measures, or report on the impacts of data privacy issues on their business operations and stakeholder relations. Data privacy resolutions reflect the growing awareness and demand of investors, consumers, regulators, and civil society for more transparency and accountability from companies that handle large amounts of personal data. Some shareholder resolutions address how a company plans to protect, or what risks it faces, in collecting personal health data or other types of data that could be used to enforce new restrictive abortion laws such as geolocation, browser search history, or purchases.

Considerations for voting:

- Given the evolving regulatory landscape for data privacy, investors may want to consider whether a proposal is redundant or whether existing or expected laws address the proponent's concerns.
- It is important to understand the type of data being collected and stored on individuals by a company. For example, health and medical data are subject to higher standards of privacy than consumer purchase history data. If information is claimed to be anonymized, it is important to understand the anonymization standards being followed.
- We generally recommend caution regarding shareholder proposals that prescribe specific procedures for personal information. Such proposals might be seen as intruding upon management's prerogative to conduct the company's business.
- Depending on a company's revenue stream, we believe reporting on privacy policies may usefully contribute to risk assessment in areas central to a company's business.

Illustrative examples of votes:

1. Vote in support of shareholder resolutions that request the company disclose its data privacy policies.
2. Vote in support of shareholder resolutions that request the company commission an independent study at a reasonable cost and report to shareholders regarding:
 - The extent to which such technology may endanger, threaten, or violate privacy and/ or civil rights.
 - The extent to which such technology may disproportionately targets people of color, immigrants, activists, and children and teens.
 - The extent to which such technologies and/or data are marketed and sold to governments.
3. Vote in support of shareholder resolutions that the Board issue a public report assessing consumer privacy protections and controls over sensitive personal data, particularly health data.
4. Vote against shareholder resolutions that are overly prescriptive in directing a company's approach to managing data privacy.

Harvard offers broader general guidance on its recommended approach to considering shareholder resolutions in "[Overview of Harvard University's Proxy Voting Guidelines for External Managers](#)" (follow [link](#) to download full text). When determining votes on resolutions, we consider each resolution in light of this general guidance as well as in light of a resolution's specific request and contextual information about the relevant company and its approach to the issue. Any reporting should be issued at reasonable cost and omit proprietary information.