



**Date:** May 20, 2026

**Relating to:** Shopify Inc. Annual General Meeting of Shareholders (June 16, 2026), Section 5 Shareholder Proposal, Shopify 2026 Management Information Circular

**Subject:** Supplementary Information regarding the Shareholder Proposal requesting Shopify Inc. to adopt a policy on responsible use of Artificial Intelligence ("AI")

**SHARE is urging shareholders to vote FOR the Shareholder Proposal (Section 5) at Shopify Inc.'s 2026 Annual General Meeting of Shareholders on June 16, 2026.**

To shareholders,

The Pension Plan of The United Church of Canada, represented by SHARE, has submitted a shareholder proposal (the "Proposal") (Section 5, [Shopify 2026 Management Information Circular](#)) for consideration at Shopify Inc.'s ("Shopify" or the "Company") 2026 Annual General Meeting of Shareholders scheduled on June 16, 2026.

The Proposal asks that:

*Shopify's Board of Directors to adopt a policy on the Company's responsible use of Artificial Intelligence ("AI") in its business and operations. The policy should include a commitment to align with internationally recognized standards and respect human rights.*

This letter provides supplementary information relevant to your review in voting on the Proposal. As you review the Proposal, we would like to draw your attention to the following points summarized here and expanded below:

- **Shopify's existing disclosure, policies, and practices appear insufficient to assure shareholders and merchants that Shopify is deploying,<sup>1</sup> scaling, and advancing AI responsibly:** Significant human rights risks to merchants, customers, and other stakeholders may arise through the use of generative AI ("genAI") and agentic AI. At Shopify, such AI systems are deployed internally and provided to merchants. Yet, Shopify's existing policies, practices, and disclosures do not appear to sufficiently provide shareholders with a clear picture of (1) how Shopify is using AI responsibly in alignment with leading standards on responsible AI (2) how Shopify is managing AI-related risks, including risks that may adversely impact fundamental human rights and (3) the effectiveness of its AI risk management and governance processes in light of increasing AI deployment.
- **Shopify lags behind several peers in meeting internationally recognized standards on responsible AI through the adoption of responsible AI policies:** Shopify lags behind peers such

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<sup>1</sup> For the purpose of this proxy alert, the term AI "use" and "deployment" will be used interchangeably.

as eBay,<sup>2</sup> Adobe,<sup>3</sup> Salesforce,<sup>4</sup> SAP SE,<sup>5</sup> and ServiceNow<sup>6</sup>, all of which have publicly available responsible AI policies, guidelines, or frameworks. In addition, Shopify has not demonstrated meeting AI risk management, governance, and transparency expectations set by leading frameworks such as the National Institute for Standards and Technology (“NIST”) AI Risk Management Framework (“RMF”). In absence of a public responsible AI use policy aligned with such frameworks, investors cannot properly evaluate the strength of the Company’s AI governance and risk oversight.

We view the Company’s arguments outlined in the Management Information Circular as insufficient, warranting shareholders to vote **FOR** the proposal.

## DISCUSSION

Shopify, a company with millions of merchants across over 175 countries, “continue[s] to leverage emerging technologies including[...]AI in [Shopify’s] products”<sup>7</sup> and is “building the foundation for agentic commerce”.<sup>8</sup> Shopify has committed to “investing in expanding the AI capabilities available in [Shopify] products, including through the ongoing deployment and improvement of existing machine learning and AI technologies.”<sup>9</sup> As one of the largest technology companies in Canada and one of the largest companies with a significant U.S. ecommerce market share, we expect Shopify to use, adopt, and scale AI responsibly, with appropriate risk management and governance guardrails, in alignment with internationally recognized standards, such as the United Nations Guiding Principles on Business and Human Rights (“UNGPs”) and widely-adopted voluntary frameworks like the NIST RMF.

In its Opposition Statement, Shopify states that the Company “understand[s] AI deeply and build[s] responsibility”. **However, absent a formal policy, such a statement in response to a shareholder proposal alone would not be sufficient to assure shareholders that Shopify’s existing practices and procedures are effective at identifying, preventing and addressing AI-related risks and adverse impacts on merchants and users.**

A responsible AI policy is a foundational enterprise-wide policy that is designed to enable and ensure responsible AI use across the Company, inclusive of deploying AI ethically and safely, and in a way that effectively mitigates AI-related risks. Adopting a responsible AI policy would help Shopify establish a principles-based framework for ensuring an enterprise-wide and transparent approach to the responsible deployment and oversight of AI systems, which we believe is integral to protecting shareholder long-term value.

The following points outline key considerations for investors in evaluating this important Proposal, including a direct response to the Company’s arguments recommending a vote against the Proposal:

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<sup>2</sup> <https://static.ebayinc.com/assets/Uploads/Documents/Responsible-AI-Policy.pdf>

<sup>3</sup> <https://www.adobe.com/cc-shared/assets/pdf/trust-center/ungated/whitepapers/corporate/adobe-gen-ai-built-for-business-solution-brief.pdf>

<sup>4</sup> <https://www.salesforce.com/news/stories/generative-ai-guidelines/>

<sup>5</sup> <https://www.sap.com/products/artificial-intelligence/ai-ethics.html>

<sup>6</sup> <https://www.servicenow.com/standard/other-documents/responsible-ai-guidelines.html>

<sup>7</sup> <https://shopifyinvestors.gcs-web.com/static-files/5599c532-a2a7-4435-beda-3b65a7ffa083>

<sup>8</sup> [https://s27.q4cdn.com/572064924/files/doc\\_financials/2025/q4/Investor-Overview-Deck-Q4-2025.pdf](https://s27.q4cdn.com/572064924/files/doc_financials/2025/q4/Investor-Overview-Deck-Q4-2025.pdf)

<sup>9</sup> [https://s27.q4cdn.com/572064924/files/doc\\_financials/2025/q4/SHOP-Q4-2025-10K.pdf](https://s27.q4cdn.com/572064924/files/doc_financials/2025/q4/SHOP-Q4-2025-10K.pdf)

## **1. Shopify’s existing disclosure, policies, and practices appear to remain insufficient to assure shareholders and merchants that Shopify is deploying, scaling, and advancing AI responsibly**

Shopify deploys genAI and agentic AI systems from third parties into select merchant products. Examples include Shopify Magic to enhance product listings and Sidekick, a virtual AI advisor.<sup>10</sup> In 2025, Shopify introduced Agentic Storefronts on AI platforms such as ChatGPT, Perplexity, and Microsoft Copilot, enabling customers to make purchases in-chat or via online storefronts.<sup>11</sup> In 2026, Shopify announced an expansion into agentic commerce through the Universal Commerce Protocol, co-developed with Google, enabling merchants to sell directly in AI Mode in Google Search and Gemini.<sup>12</sup> SimGym, an app providing merchants with the ability to “simulate buyer behavior”<sup>13</sup> and Tinker, an “app that brings together 100+ specialized AI tools for creating images, videos, logos, product photography”<sup>14</sup> were also released in 2026.

### **Generative AI and agentic AI risks to merchants, customers, and other stakeholders**

In its Opposition Statement, Shopify states that the Proposal “is fundamentally disconnected from commerce infrastructure and would not improve any outcome for merchants or shareholders.”

The UN Office of the Human Rights Commissioner’s taxonomy on human rights risks connected to genAI found that image and video generators may heighten risk for women and girls.<sup>15</sup> The report also identified that genAI-generated text can increase the risk of harmful content and may exacerbate privacy concerns.<sup>16</sup> Similar risks may arise if genAI-generated descriptions or content reproduce unfair and harmful biases. These risks may be heightened depending on the data sets used to train AI models and the due diligence, governance, and risk management controls integrated into review processes by deployers like Shopify.

Additionally, Shopify is expanding agentic commerce, with agentic AI solutions provided to merchants and customers, raising heightened risks associated with agentic AI systems, including misinformation, adversarial manipulation, erroneous automated transactions, and fraud.<sup>17</sup> Shopify’s agentic commerce infrastructure is designed to allow AI agents to help merchants and customers discover products, build carts, complete checkout, and monitor orders. As a result, AI-related risks can arise from the AI systems Shopify is deploying related to merchant discovery, customer interaction, checkout, payment, fraud detection, and order management. For example, Amazon.com recently faced scrutiny for utilizing its agentic AI-powered feature, “Buy for Me”, to list and sell products in Amazon storefronts from retailers without their consent.<sup>18</sup> Additionally, Visa has cautioned that “AI shopping agents[...]can be deceived by sophisticated counterfeit merchants engineered specifically to exploit them [and] malicious merchants can harvest payment data and instantly use it for

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<sup>10</sup> <https://www.shopify.com/ca/magic>

<sup>11</sup> <https://www.shopify.com/news/winter-26-edition-agentic-storefronts>

<sup>12</sup> <https://www.shopify.com/news/ai-commerce-at-scale>

<sup>13</sup> <https://help.shopify.com/en/manual/online-store/simgym>

<sup>14</sup> <https://www.shopify.com/news/introducing-tinker>

<sup>15</sup> <https://www.ohchr.org/sites/default/files/documents/issues/business/b-tech/taxonomy-GenAI-Human-Rights-Harms.pdf?ref=internet.exchangepoint.tech>.

<sup>16</sup> Ibid.

<sup>17</sup> <https://www.pwc.com/us/en/industries/tmt/library/trust-and-safety-outlook/rise-and-risks-of-agentic-ai.html>

<sup>18</sup> <https://www.cnn.com/2025/01/06/amazons-ai-shopping-tool-sparks-backlash-from-some-online-retailers.html>

unauthorized transactions.”<sup>19</sup> Visa reported a “25% increase in malicious bot-initiated transactions over the past 6 months,<sup>20</sup> with the US experiencing a 40% increase,” a trend which Visa expects to grow.<sup>21</sup> At the same time, agentic recommendation systems may raise fairness and access concerns that could be detrimental to merchants whose products are not optimized for AI.<sup>22,23</sup> A PwC survey on AI agents emphasized that “a responsible AI approach that specifically addresses the risks of AI agents isn’t optional, it’s essential. Companies need to actively manage risk to unlock value and embed trust into their AI strategies from the start.”<sup>24</sup>

Agentic systems deployed by Shopify may require direct integration with sensitive systems and datasets, such as payments and user information, indicating that security, privacy, and data exposure risks may be amplified, increasing the potential impact of adverse privacy and credential-related breaches. As Shopify is required to comply with relevant regulation on data privacy and protection, including Canada’s *Personal Information Protection and Electronic Documents Act* or other relevant privacy laws, violations could expose Shopify to reputational and regulatory risk.

### **Shopify’s public policies and practices do not reflect a commitment to responsible use of AI**

Shopify states that “contracts and terms of service set clear guardrails on how Shopify and merchant data may be used” and that “[Shopify] do[es not] onboard AI vendors lightly”. However, these guardrails and the principles are not public, preventing shareholders from understanding the depth of the Company’s commitment to responsible AI and Shopify’s alignment with internationally recognized frameworks. While Shopify’s Code of Conduct requires in scope parties, including contractors, to “achieve the highest standards of honest and ethical behavior”, the Code has no responsible AI expectations.<sup>25</sup>

Additionally, the Company’s 10K filing stated that Shopify “require[s] suppliers of [Shopify] products to comply with laws and standards[...], human rights and business ethics, but [Shopify] do[es] not directly control them or their practices or standards”<sup>26</sup> However, Shopify does not have a formal commitment for the Company and its suppliers to respect human rights, leaving a lack of clarity on how this expectation is applied across Shopify and its value chain. Additionally, the Company does not provide clarity to investors on whether and how responsible AI considerations are systematically embedded into vendor selection and governance for AI systems, including how risks (including human rights risks) are identified, mitigated, managed, and prevented. While Shopify states that the Company “test[s] AI products before launch, monitor[s] them in production, and continuously evaluate how they perform”, details on these controls are not public. A formal policy on responsible AI would clarify the standards and expectations governing data use, vendor governance, bias mitigation, human oversight, security, and ongoing monitoring, while demonstrating that these practices are embedded systematically rather than dependent on ad hoc internal processes.

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<sup>19</sup> <https://corporate.visa.com/en/sites/visa-perspectives/security-trust/the-threats-landscape-of-agentic-commerce.html>

<sup>20</sup> Statistics provided by Visa are from 2025.

<sup>21</sup> <https://corporate.visa.com/en/sites/visa-perspectives/security-trust/the-threats-landscape-of-agentic-commerce.html>

<sup>22</sup> <https://www.esafety.gov.au/sites/default/files/2022-12/Position%20statement%20-%20Recommender%20systems%20and%20algorithms.pdf>;

<sup>23</sup> [https://one.oecd.org/document/DAF/COMP/GF\(2025\)4/en/pdf](https://one.oecd.org/document/DAF/COMP/GF(2025)4/en/pdf)

<sup>24</sup> <https://www.pwc.com/us/en/tech-effect/ai-analytics/ai-agent-survey.html>

<sup>25</sup> [https://s27.q4cdn.com/572064924/files/doc\\_governance/2024/Dec/17/Final-Code-of-Conduct-2024-98c7f3.pdf](https://s27.q4cdn.com/572064924/files/doc_governance/2024/Dec/17/Final-Code-of-Conduct-2024-98c7f3.pdf)

We recognize that Shopify's Board "includes directors with deep experience building and deploying [...] AI at a global scale," and appreciate that "management briefs the Board regularly on our AI products [and] infrastructure". However, expertise and briefings are not substitutes for a responsible AI policy. In the absence of a policy, shareholders lack visibility on how the Company deploys AI responsibly and how the Board effectively oversees AI-related risks. These gaps raise concerns regarding transparency, accountability, and risk management that may expose Shopify to significant risk.

## **2. Shopify lags behind several peer and industry practices and is misaligned with internationally recognized standards on responsible AI**

In its Opposition Statement, Shopify states that the proposal "is asking for a policy built from aspirational frameworks[...] [and] is fundamentally disconnected from commerce infrastructure". Shopify's position is misaligned with evolving peer and industry practices. Large technology companies with complex platforms and AI exposure have increasingly adopted formal responsible AI frameworks tailored to their operations. For example, eBay, an e-commerce company, has adopted a responsible AI policy, operationalized through its Responsible AI Standard and Guidelines, applicable to all subsidiaries, personnel, systems, and third-party vendors.<sup>27</sup> Etsy, another e-commerce company, has published AI principles and a seller handbook on responsible AI use for merchants.<sup>28,29</sup> ServiceNow has adopted Responsible AI Guidelines and Whitepaper inspired by the NIST RMF.<sup>30,31</sup> SAP SE has published a Global AI Ethics Policy and Handbook, grounded explicitly in UNESCO's Recommendation on the Ethics of Artificial Intelligence.<sup>32</sup> Salesforce has published Guidelines for the Responsible Development of AI.<sup>33</sup> Adobe released a solution brief with information on its AI Ethics Principles, AI Ethics Governance, and how Adobe builds ethical AI solutions.<sup>34</sup>

A responsible AI policy is also seen as foundational to AI risk management and governance and is aligned with internationally recognized responsible AI standards that are leveraged by AI developers and deployers. For example, the ISO 42001 (AI Management System Standard), encourages the establishment of an AI policy for the development or use of AI systems, that is appropriate to the purpose of the organization, and provides a framework for setting AI objectives.<sup>35</sup> The Implementation Guide by the Government of Canada also recommends that the AI policy should be informed by the level of risk posed by the AI systems and that the policy should include principles that guide all activities of the organization related to AI, and processes for handling deviations and exceptions to the policy.<sup>36</sup> Similarly, the NIST AI RMF encourages organizations to ensure that AI risk management processes and its outcomes are "established through transparent policies, procedures, and other controls based on organizational risk priorities" and to put in place "policies and practices[...]to foster a critical thinking and safety-first mindset in the design, development, deployment, and uses of AI

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<sup>27</sup> <https://static.ebayinc.com/assets/Uploads/Documents/Responsible-AI-Policy.pdf>

<sup>28</sup> <https://www.etsy.com/ca/news/keeping-human-connection-at-the-center-of-innovation-etsyas-ai-principles?ref=news>

<sup>29</sup> [https://www.etsy.com/seller-handbook/article/1402347260856?dd\\_referrer=https%3A%2F%2Fwww.google.com%2F](https://www.etsy.com/seller-handbook/article/1402347260856?dd_referrer=https%3A%2F%2Fwww.google.com%2F)

<sup>30</sup> <https://www.servicenow.com/standard/other-documents/responsible-ai-guidelines.html>

<sup>31</sup> <https://www.servicenow.com/content/dam/servicenow-assets/public/en-us/doc-type/resource-center/white-paper/wp-sn-responsible-genai.pdf>

<sup>32</sup> <https://www.sap.com/products/artificial-intelligence/ai-ethics.html>

<sup>33</sup> <https://www.salesforce.com/news/stories/generative-ai-guidelines/>

<sup>34</sup> <https://www.adobe.com/cc-shared/assets/pdf/trust-center/ungated/whitepapers/corporate/adobe-gen-ai-built-for-business-solution-brief.pdf>

<sup>35</sup> <https://www.iso.org/standard/42001>

<sup>36</sup> <https://ised-isde.canada.ca/site/ised/en/implementation-guide-managers-artificial-intelligence-systems>



systems to minimize potential negative impacts.”<sup>37</sup> Most notably, the accompanying NIST RMF Playbook emphasizes that “policies, processes, and procedures are central components of effective AI risk management and fundamental to individual and organizational accountability[....]Without such policies, risk management can be subjective across the organization and exacerbate rather than minimize risks over time.”<sup>38</sup>

### 3. Conclusion

As Shopify increases its use of genAI and agentic AI tools, shareholders remain concerned that insufficient policies, transparency, risk management, and governance on responsible AI conduct may expose the Company, and by extension its shareholders, to significant risks. While Shopify believes that a responsible AI policy is a “document whose only function is to exist” and a “policy document detached from our practices,” a formal responsible AI policy would address shareholder concerns and:

- Provide shareholders with greater assurance that the Company has AI risk management and governance systems in place to manage AI-related risks.
- Create an enterprise-wide approach to AI risk management and governance.
- Support alignment with international standards and peer practices on responsible AI.
- Support Shopify in building merchant trust, which is a key component of the long-term sustainability of Shopify’s business.

**Based on the reasons mentioned above, we urge shareholders to vote FOR the Shareholder Proposal (Section 5) at Shopify’s 2026 Annual General Meeting of Shareholders.**

For questions regarding the proposal addressed in this proxy alert, please contact Juana Lee, Associate Director, Corporate Engagement, SHARE, at [jlee@share.ca](mailto:jlee@share.ca).

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### **Vote “FOR” the Shareholder Proposal (Section 5) at Shopify’s 2026 Annual General Meeting of Shareholders on June 16, 2026**

This is not a solicitation of authority to vote your proxy. Please DO NOT send us your proxy card; SHARE is not able to vote your proxies, nor does this communication contemplate such an event.

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Please execute and return your proxy card according to Shopify Inc. instructions.

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<sup>37</sup> <https://nvlpubs.nist.gov/nistpubs/ai/NIST.AI.100-1.pdf>

<sup>38</sup> <https://airc.nist.gov/airmf-resources/playbook/>