

## **FACEBOOK**

### **Human Rights Impact Assessment**

**RESOLVED:** Shareholders direct the board of directors of Meta Platforms, Inc. (formerly known as Facebook, Inc) to publish an independent third-party Human Rights Impact Assessment (HRIA), examining the actual and potential human rights impacts of Facebook’s targeted advertising policies and practices throughout its business operations. This HRIA should be conducted at reasonable cost; omit proprietary and confidential information, as well as information relevant to litigation or enforcement actions; and be published on the company’s website by June 1, 2023.

**WHEREAS:** Facebook’s business model relies almost entirely on ads, with 98% of Facebook's global revenue in 2020 generated from advertising. Facebook ad revenue stood at close to \$86 billion in 2020, a new record for the company and a significant increase from previous years[1].

Algorithmic systems are deployed to enable the delivery of targeted advertisements, determining what users see, resulting in and exacerbating systemic discrimination[2] and other human rights violations. Data used to enable the targeting of such ads include personal and behavioral data of Facebook users, which further exposes Facebook to user privacy violations. Facebook was fined \$5 billion for such privacy violations by the U.S. Federal Trade Commission in 2019.

Targeted ads have been the subject of much controversy. Just this year, Frances Haugen revealed that Facebook had long known that targeted ads are detrimental to mental health, body image, and political polarization[3]. Facebook now faces a lawsuit from investors for allegedly violating federal securities laws by presenting inaccurate statements about the harm its products, funded through targeted advertisements, can cause[4].

Facebook continues to mislead the public on its use of targeted ads. In July 2021 the company stated that “we’ll only allow advertisers to target ads to people under 18 (or older in certain countries) based on their age, gender and location”. However, it was discovered that, outside of stated parameters, Facebook is still using the vast amount of data it collects about young people to determine which children are most likely to be vulnerable to a given ad, opening them to allegations of human rights violations[5]. Additionally, Facebook does not publish data on alleged violations of the policies they do have, making it impossible to know if they are effective[6].

There is growing global consensus among civil society experts, academics, and policymakers that targeted advertising can lead to the erosion of human rights. Legislation in Europe[7] and the United States[8] is poised to severely restrict or even ban targeted ads.

Facebook’s business model relies on a single source of revenue – advertising. Targeted advertising, given concerns around the fairness, accountability, and transparency of the underlying algorithmic system, has been heavily scrutinized for its adverse impacts on human rights, and is targeted for significant regulation. This is a material risk to investors. A robust HRIA will enable the company to better identify, address, mitigate and prevent such adverse human rights impacts that expose the company to reputational, legal, business and financial risks.

- [1] <https://www.statista.com/statistics/271258/facebooks-advertising-revenue-worldwide/>
- [2] <https://www.nytimes.com/2019/03/28/us/politics/facebook-housing-discrimination.html>
- [3] <https://www.washingtonpost.com/technology/2021/10/03/facebook-whistleblower-frances-haugen-revealed/>
- [4] <https://www.cnbc.com/2021/11/15/ohio-ag-accuses-facebook-of-securities-fraud-for-misleading-investors.html>
- [5] <https://techcrunch.com/2021/11/16/facebook-accused-of-still-targeting-teens-with-ads/>
- [6] <https://rankingdigitalrights.org/index2020/companies/Facebook>
- [7] <https://www.brookings.edu/techstream/what-the-european-dsa-and-dma-proposals-mean-for-online-platforms/>
- [8] <https://mashable.com/article/filter-bubble-transparency-act-threatens-facebook-news-feed>