

## Report on **Content Governance**

**WHEREAS:** With more than 2 billion users, Facebook sits at the center of global controversy: including its role in Russia's election interference during the 2016 U.S. presidential election; rules that fail to distinguish hate speech from legitimate political expression, leading to the removal of legitimate user accounts; and the dissemination of violence through Facebook Live, broadcasting dozens of murders, suicides, and beatings.

These alarming revelations demonstrate that measures taken have been insufficient, and shareholders are concerned that Facebook's inability to address these issues poses greater regulatory, legal, and reputational risks to long-term shareholder value.

We believe Facebook is an information fiduciary and has an obligation to demonstrate how it responsibly manages content. Yet, disclosures have been minimal, guarded, and inadequate. Content policies appear reactive, not proactive. As such, Facebook is embroiled in a string of controversies that have demonstrated the broad potential for misuse of its platform to spread lies, propaganda, and hate.

In September 2017, we learned Facebook enabled advertisers to seek out self-described "Jew haters." Within days, Facebook worked to block such targeted advertising. And only when confronted with a Congressional investigation did Facebook agree to address election interference and make political ads more transparent.

In Europe, Germany enacted a law with fines of up to 50 million euros if social media platforms do not promptly remove posts containing unlawful content. In May 2017, a U.K. parliamentary committee accused Facebook and other companies of "prioritizing profit over safety by continuing to host unlawful content." The U.K. government is considering regulating Facebook as a news organization.

Advertisers have raised alarms about fake user accounts. Procter & Gamble and Unilever have reduced expenditures on digital advertising.

While Facebook has attempted to address these controversies, senior company personnel acknowledge ongoing challenges. Mark Zuckerberg, in a February 2017 letter, said, "In the last year, the complexity of the issues we've seen has outstripped our existing processes for governing the community."

Facebook's Chief Security Officer, Alex Stamos, warned developing algorithms to control content could be more dangerous than the public thinks, with unintended consequences of ideological bias from Facebook's automated Machine Learning technologies. "Nobody of substance at the big companies thinks of algorithms as neutral," Stamos wrote in October 2017.

In a public interview at Harvard University, Facebook's Head of Global Policy Management, Monika Bickert, said she believes Facebook's internal policy regarding hate speech should be public.

**RESOLVED:** Shareholders request Facebook issue a report to shareholders on the major global content management controversies (election interference, hate speech and violence), at reasonable cost, omitting proprietary or legally privileged information, reviewing governance oversight and policies to assess the ethical, legal, and reputational risks of content disseminated on its platform.

**SUPPORTING STATEMENT:** The proponents recommend the report include an assessment of the scope and scale of platform abuses; and efficacy of current efforts; and policies governing the ethical use of artificial intelligence.