

An Open Letter to the CEOs of Facebook's Largest Institutional Shareholders:

Including¹: Vanguard Group Inc, Blackrock Inc, FMR LLC (Fidelity), State Street Corp, T Rowe Price Associates Inc, Capital World Investors, Northern Trust Corp, Invesco LTD, Geode Capital Management, LLC, Morgan Stanley, Bank of New York Mellon Corp, JP Morgan Chase & Co, Norges Bank, Goldman Sachs Group Inc, Baillie Gifford & Co.

May 2, 2018

As representatives of investors and investment firms, civil and human rights organizations, and privacy and technology groups, we share a deep concern that Facebook Inc. is failing to both assess and address longstanding — yet urgent — human rights problems, including critical concerns regarding civil, political and privacy rights. Today, we write to you, Facebook's largest institutional shareholders, urging you to push Facebook to establish adequate corporate governance on these pressing concerns. As scrutiny of Facebook escalates, this is a critical opportunity for the company's largest investors to demand greater accountability ahead of the annual shareholder meeting on May 31.

Over the last 18 months, Facebook's handling of multiple controversies has resulted in an extraordinary global outcry. We now know that data of up to 87 million people may have been improperly shared with Cambridge Analytica. In light of mounting controversy, Facebook has seen a loss in market value worth tens of billions of dollars, and advertisers have pulled millions from the platform.

We also know that while the spotlight is currently on Cambridge Analytica, it is only the most visible manifestation of a longstanding problem: Facebook has consistently gambled with the rights and well-being of its more than two billion users — as well as the company's future — without adequate consideration of the risks involved. Facebook CEO Mark Zuckerberg recently admitted: "Frankly, we didn't spend enough time investing in, or thinking through, some of the downside uses of the tools."

Yet, the communities most impacted by the "downside uses of the tools" — including racial justice and human rights groups — have long sought transparency, disclosure, oversight and accountability from Facebook — just as investors have. Muslim Advocates and Color Of Change [have pressed](#) Facebook to conduct a Civil Rights Audit. Movements like Data for Black Lives have asked Facebook to join them by [establishing a Public Data Trust and Data Code of Ethics](#), and to hire more Black data scientists and researchers. A coalition of prominent civil rights, interfaith and advocacy organizations initially [wrote to Facebook in October 2017](#), urging the company to hire "an independent third-party team to conduct a thorough and public audit of the civil rights impact of your policies and programs, as well as how the platform has been used by hate groups, political entities, and others to stoke racial or religious resentment or violence." They recommended creating a board committee, senior manager, and committee of external advisors to develop,

¹ <https://www.nasdaq.com/symbol/fb/institutional-holdings>

International Campaign for
the Rohingya

Maryknoll Sisters*

May First / People Link

Media Alliance

Media Matters for America

Mercy Investment Services*

Midwest Coalition for
Responsible Investment

Mirova*

Muslim Advocates

NAACP Legal Defense and
Educational Fund, Inc.

Nathan Cummings
Foundation*

National Hispanic Media
Coalition

Natural Investments*

Newground Social Investment

NorthStar Asset
Management, Inc.*

Northwest Coalition for
Responsible Investment*

Open MIC (Open Media and
Information Companies
Initiative)

Park Foundation*

Public Citizen

Ranking Digital Rights

Region VI Coalition for
Responsible Investment

Reproaction

Reynders, McVeigh Capital
Management*

Ronald A. Fein*

Seventh Generation Interfaith
Coalition for Responsible
Investment

Sisters of Bon Secours, USA

Sisters of Charity, Halifax

Sisters of Saint Joseph of
Chestnut Hill, Philadelphia,
PA*

implement and manage policies and procedures around hate speech. As we release this letter, Facebook has [confirmed](#) that it plans to audit the company’s “impact on underrepresented communities and communities of color.” We look forward to learning the results of that process and the implementation of appropriate corrective actions by the company.

Similarly, investors have been urging [Facebook](#) since late 2016 to establish mechanisms for accountability. At Facebook’s upcoming annual shareholder meeting, shareholders have the opportunity to vote on two resolutions that offer a path forward:

- A shareholder resolution filed by [Arjuna Capital](#) and [The New York State Common Retirement Fund](#), and co-filed by [Illinois State Treasurer Michael Frerichs](#), [Baldwin Brothers, Inc.](#), and [Harrington Investments](#) seeks a report on how the company is managing [content governance](#) (including election interference, fake news, hate speech and online sexual harassment propagated by the platform).
- A shareholder resolution filed by [Trillium Asset Management](#) and the [Park Foundation](#), calls for the board to appoint a [Risk Oversight Committee](#), the presence of which may have anticipated and mitigated today’s crisis.

As a global company, Facebook’s negligence results in widespread harm. The company faces questions about its role in [spreading hate speech and inciting violence against the Rohingya](#) in Myanmar, censoring activists from [Black Lives Matter](#) to [Palestine](#), and enabling the abuse and torture of migrants to be [broadcast to extort ransom money](#) — to name only a few examples. Facebook has also been directly linked to efforts to influence elections, including in the [United States](#), the [United Kingdom](#), [Brazil](#) and [Kenya](#).

While Facebook conducts human rights impact assessments in relation to government censorship and surveillance demands as part of its obligations as a member of the Global Network Initiative, it has not demonstrated a willingness to uphold its broader responsibilities to respect human rights as outlined under the [United Nations’ Guiding Principles on Business and Human Rights](#),² and in particular, its responsibility to conduct a comprehensive [human rights impact assessment](#)³ that includes the full range of ways that the company’s business operations might affect users’ human rights.

We are witnessing universal concern over Facebook’s data management practices and their implications for human rights. [New research](#) by Ranking Digital Rights revealed that Facebook [once again](#) disclosed less about how it handles user information than six of its peers: Twitter, Google, Microsoft, Oath, Apple, and Kakao (a Korean company). Furthermore, Facebook disclosed less information about how users can control what is collected about them, and how it is used, than any other company in the Index, including two Chinese companies and two Russian companies.

² Guiding Principle 13: The responsibility to respect human rights requires that business enterprises “Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.”

³ Guiding Principle 18

Southern Poverty Law Center

St. Bartholomew's Church

Stance Capital

SumOfUs

Sustainable World Financial
Advisors

The Educational Foundation
of America (EFA)*

The Greenlining Institute

The Leadership Conference
on Civil and Human Rights

The Sustainability Group of
Loring, Wolcott &
Coolidge*

Tri-State Coalition for
Responsible Investment

Trillium Asset Management,
LLC*

Trinity Health*

United Church Funds*

Urbana-Champaign
Independent Media Center

Ursuline Sisters of Tildonk,
U.S. Province*

Zevin Asset Management

As Facebook has put its users at risk, it has also put its business at risk. New York City Comptroller Scott Stringer, custodian of the city's employee pension fund, has called for the company's board to be reconstituted, with new independent directors who are experts in data usage and ethics to oversee company practices. Others have called for the roles of Chairman and CEO to be split and for Mr. Zuckerberg to step aside and let new leadership reinvent Facebook, while instituting best practices in good governance.

But we have yet to hear from you: the CEOs of institutions with an enormous financial stake in the company. Each of your investment organizations has signed on to the [Principles for Responsible Investment](#), indicating your commitment to incorporate ESG (Environmental, Social and Governance) issues into your ownership practices, to seek appropriate disclosure on ESG issues by the entities in which you invest, and to support shareholder initiatives and resolutions promoting ESG disclosure.

Now is the time to leverage your influence, as Facebook's largest shareholders, to live out these Principles and to ensure accountability at Facebook. We ask that you join us in pressing Facebook for better governance, transparency and accountability to Facebook investors and users.

We will continue to encourage investors, civil and human rights groups to [sign on to this letter](#) until Facebook's annual general meeting on May 31.

Sincerely,

** Facebook shareholders*

Access Now

Alvaro Bedoya, Center on Privacy & Technology at Georgetown Law
American Friends Service Committee*

Arjuna Capital*

As You Sow*

Australasian Centre for Corporate Responsibility

Boston Common Asset Management*

Center for Digital Democracy

Center for Media Justice

Color Of Change

Congregation of Sisters of St Agnes

Congregation of St. Basil

Congregation of St. Joseph

Congregation of the Sisters of the Holy Names of Jesus and Mary

Croatian Institute

Dana Investment Advisors*

Data & Society Research Institute

Daughters of Charity, Province of St. Louise

Demand Progress

Development Capital Strategies, LLC

Dominican Sisters of Hope
Everence and the Praxis Mutual Funds*
Free Press
Free Speech For People
Friends Fiduciary Corporation*
Global Action Project
Haas Socially Responsible Investment Fund*
Harrington Investments, Inc.
International Campaign for the Rohingya
Maryknoll Sisters*
May First / People Link
Media Alliance
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Mercy Investment Services*
Midwest Coalition Responsible Investment
Mirova*
Muslim Advocates
NAACP Legal Defense and Educational Fund, Inc.
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Region VI Coalition for Responsible Investment
Reproaction
Reynders, McVeigh Capital Management*
Ronald A. Fein*
Seventh Generation Interfaith Coalition for Responsible Investment
Sisters of Bon Secours, USA
Sisters of Charity, Halifax
Sisters of Saint Joseph of Chestnut Hill, Philadelphia, PA*
Sisters of St. Francis of Philadelphia
Sisters of the Good Shepherd
Sisters of the Precious Blood*
Sisters of the Presentation of Aberdeen SD
Social Justice Committee, UU Congregation at Shelter Rock
Socially Responsible Investment Coalition*
Southern Poverty Law Center
St. Bartholomew's Church
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