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


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,
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, and in particular, its responsibility to conduct a comprehensive human rights impact assessment 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.

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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
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
Croatan Institute
Dana Investment Advisors*
Data & Society Research Institute
Daughters of Charity, Province of St. Louise
Demand Progress
Development Capital Strategies, LLC

Southern Poverty Law Center
St. Bartholomew’s Church
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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*
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Haas Socially Responsible Investment Fund*
Harrington Investments, Inc.
International Campaign for the Rohingya
Maryknoll Sisters*
May First / People Link
Media Alliance
Media Matters for America
Mercy Investment Services*
Midwest Coalition 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*
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Sisters of the Precious Blood*
Sisters of the Presentation of Aberdeen SD
Social Justice Committee, UU Congregation at Shelter Rock
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