



## Investor Statement on Corporate Accountability for Digital Rights

The undersigned investors call on internet, mobile, and telecommunications (ICT) companies to respect human rights and refer to the [Ranking Digital Rights \(RDR\) Corporate Accountability Index](#) as a tool to help them improve their governance systems and performance on salient human rights risks related to privacy and freedom of expression.<sup>1</sup> Enhanced digital rights governance, performance and disclosure by ICT companies aids them in meeting their human rights and fiduciary responsibilities, and helps investors identify and assess digital rights risks in their portfolios. In 2018, the RDR Index found that many companies in the sector disclose little or no information on due diligence or board oversight of risks affecting online privacy and expression.<sup>2</sup> In the absence of evidence of appropriate due diligence and oversight, we are concerned that risks are not being appropriately identified and addressed by ICT companies.

ICT companies that we invest in have driven global innovation, economic growth, and the fulfillment of human rights for millions of people. Yet, the same companies can cause, contribute to, or be directly linked to human rights abuses through their own activities, where they operate, or as a result of business relationships, with adverse impacts on workers, users, customers, and individuals throughout their value chains. In 2018 alone, we have witnessed massive data breaches affecting several hundred million users around the world,<sup>3</sup> manipulation of social media platforms to aid genocide in countries such as Myanmar,<sup>4</sup> and some companies' censorship of content containing peaceful political dissent at the behest of authoritarian governments.

Risks to digital rights,<sup>5</sup> including the right to privacy and freedom of expression, are especially salient and material<sup>6</sup> for ICT companies with business strategies that rely on the management, processing or protection of digital content and personal data. Companies that do not adequately consider human rights increasingly risk reputational harm, financial loss including significant fines, shareholder lawsuits, and dissatisfaction among employees, customers and users. They can also face regulatory penalties. For example, the [EU's General Data Protection Regulations \(GDPR\)](#) requiring "data processors" to safeguard user information, and to notify regulators and affected users of breaches within 72 hours, among other provisions, has affected thousands of companies and carries stiff penalties for non-compliance. Company performance

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<sup>1</sup> For general information see <https://rankingdigitalrights.org/>; for the 2018 Index see <https://rankingdigitalrights.org/index2018/>; for investor materials see <https://rankingdigitalrights.org/investors/>

<sup>2</sup> See <https://rankingdigitalrights.org/index2018/report/inadequate-disclosure/#section-33> and <https://rankingdigitalrights.org/index2018/categories/governance/>

<sup>3</sup> Wired, The Worst Security Breaches of 2018 So Far, October 2018: <https://www.wired.com/story/2018-worst-hacks-so-far/>

<sup>4</sup> BBC News, UN: Facebook has turned into a beast in Myanmar, March 2018: <https://www.bbc.com/news/technology-43385677>

<sup>5</sup> Digital rights refer to the universally recognized human rights of the users of digital products and services.

<sup>6</sup> See RDR's 2017 Investor Research Note and 2018 Investor Update for further discussion of the linkage between risks to users' rights and potentially material business risks. <https://rankingdigitalrights.org/investors/>

and impact on salient digital rights issues are also relevant considerations that help inform investment decision-making and shareowner engagement.

The United Nations Guiding Principles on Business and Human Rights (UNGPs) assign companies the responsibility to respect human rights and remedy abuses when they occur. They call on companies to conduct human rights due diligence to “know and show” they respect human rights through their own activities, and the activities directly linked to their products and services, operations, and through their business relationships.

We believe that the ICT sector has a vital role to play in realizing human rights and in achieving the vision laid out in the 2030 Agenda for Sustainable Development. Doing so requires that digital rights be considered an integral part of ICT companies’ human rights due diligence, oversight, and accountability mechanisms. This also represents an opportunity for ICT companies to create long-term shareholder value, reduce regulatory uncertainty and re-build trust with their users, customers, and other key stakeholders such as regulators and companies using their services.

### **Ranking Digital Rights (RDR) Corporate Accountability Index**

The RDR Index evaluates many of the world’s largest ICT companies on disclosed commitments, policies, and practices affecting the right to freedom of expression and privacy. Based on standards laid out by the UNGPs and the [Global Network Initiative \(GNI\) Principles on Freedom of Expression and Privacy](#) in ICT, the Index provides ICT companies with a roadmap on how to respect digital rights.<sup>7</sup>

In this context, investors welcome the RDR Index as a transparent and independent framework for helping investors evaluate risks associated with the management and use of content and personal data by companies providing digital services, highlighting digital rights leadership and good practices, as well as gaps and challenges.

**For Companies:** ICT companies should align their policies and practices with the standards set out by RDR, including by:

- **Global Standards:** Recognizing that the authoritative global standard for ensuring freedom of expression and privacy is human rights law, not the varying laws of States or own private interests. Where national law and international human rights standards differ, companies should follow the [GNI Principles](#) and [Implementation Guidelines](#).
- **Human Rights Due Diligence:** Conducting ongoing human rights due diligence that includes digital rights issues, to prevent and mitigate negative impacts that their products, services, and business operations may have on users’ rights; and ensuring that all users have access to appropriate public and/or private remedies, including effective grievance mechanisms<sup>8</sup> to seek redress.

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<sup>7</sup> See RDR’s 2017 Investor Research Note and 2018 Investor Update for further discussion of the linkage between risks to users’ rights and potentially material business risks. <https://rankingdigitalrights.org/investors/>

<sup>8</sup> See UNGP 31 on Effectiveness for Non-Judicial Grievance Mechanisms: [https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

- **Transparent Human Rights Reporting:** Ensuring that human rights reporting<sup>9</sup> includes privacy, data security, and freedom of expression policies, practices and performance, including relevant data about the volume and nature of company actions, and external demands affecting freedom of expression and privacy, as well as disclosure on how digital rights issues are addressed in corporate oversight, governance, risk and impact assessment procedures, and remedies for adverse impacts.
- **Collective Action:** Proactively collaborating with investors, policymakers, consumers, industry associations, civil society and other stakeholders to find solutions to digital rights challenges in this rapidly evolving data ecosystem, and work towards responsible data stewardship and industry-wide accountability mechanisms.

*For Investors:* As investors, we will endeavor to:

- **Use the RDR Index:** Refer to RDR data, analysis, and indicators to assist in investment analysis, corporate engagement, and other responsible ownership activities such as human rights due diligence, as they relate to digital rights issues.
- **Support the development of the RDR Index:** Provide input into the evolution of the RDR Index, particularly to ensure it considers the investor perspective, through participating in annual requests for feedback on Index indicators, methodology, and companies for consideration.
- **Promote Respect for Digital Rights:** Urge ICT companies to make clear public commitments to respect users' freedom of expression and right to privacy, and to disclose their policies affecting users' expression and privacy across their value chains, based on the indicators used in the RDR Index, and for the ICT companies evaluated in the RDR Index to actively engage with the RDR Index research processes.
- **Raise Awareness:** Create awareness within the investor community, and other industry stakeholders on digital rights risks and the relevance of the Index for addressing these.

We encourage and welcome other investors to join us in signing this statement.

Signatories:

Achmea Investment Management	Öhman
Adrian Dominican Sisters, Portfolio Advisory Board	Pax World Funds
Australian Ethical Investment	Region VI Coalition for Responsible Investment
Bell Asset Management	Responsible Sourcing Network
Boston Common Asset Management	Riverwater Partners
Boston Trust/Walden Asset Management	Robeco
Brunel Pension Partnership	RPMI Railpen
Candriam	School Sisters of Notre Dame Cooperative
Congregation of Sisters of St. Agnes	Investment Fund
Congregation of St. Joseph	

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<sup>9</sup> UN Guiding Principles on Business and Human Rights Reporting Framework, Shift & Mazars: <https://www.ungpreporting.org/>

Congregation of the Sisters of the Holy Names of Jesus and Mary	Seventh Generation Interfaith Coalition for Responsible Investme
Cornerstone Capital Group	Shareholder Association for Research and Education (SHARE)
Dana Investment Advisors	Sisters of Charity, BVM
Daughters of Charity, Province of St. Louise	Sisters of Saint Joseph of Chestnut Hill, Philadelphia, PA
Dominican Sisters of Hope	Sisters of St. Francis of Philadelphia
Dwight Hall Socially Responsible Investment Fund	Sisters of the Holy Names of Jesus and Mary.
Epic Capital Wealth Management	Sisters of the Presentation of the BVM
Finnova Regio	Socially Responsible Investment Coalition
Franciscan Sisters of Allegany NY	School Sisters of Notre Dame
Franciscan Sisters of Perpetual Adoration	SumOfUs
Heartland Initiative	Sycomore Asset Manager
Impact Investors	The Catherine Donnelly Foundation
Kempen Capital Management	Trilogy Global Advisors
NEI Investments	Ursuline Sisters of Tildonk, U.S. Province
NorthStar Asset Management, Inc.	
Northwest Coalition for Responsible Investment	