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META-FACEBOOK, ONCE AGAIN CITED FOR RISK OVERSIGHT FAILURES BY ITS SHAREHOLDERS

The slate of eight shareholder proposals illustrates mounting concerns among investors regarding Meta's business model and governance structure and the risks they present for users, customers, investors, and the public interest.

NEW YORK, NY, MONDAY, DECEMBER 13TH, 2021 – A group of institutional investors and shareholders of Meta Platforms Inc. formerly known as Facebook ($FB), announced that they have filed a series of eight proposals for the 2022 company proxy calling out a variety of concerns about its business that carry significant and material risk.

The proposals raise a host of environmental, social and governance (ESG) concerns at the nearly one trillion market cap company. Some of the issues addressed by the proposals include the potential psychological, civil, and human rights harms from its proposed Metaverse Platform, the spread of hate speech and misinformation on its social media platforms, the company's dual-class share structure which effectively prevents shareholders from having a voice in company decision-making, and the need for an independent board chair to provide better oversight of Mark Zuckerberg, Meta's CEO.

Collectively, the proposals underscore the need for the review and reform of multiple policies and practices, something both members of Congress, investors, and civil society organizations have long advocated given the company's size and influence.

The eight proposals are as follows:

- ⇒ Give Each Share an Equal Vote
- ⇒ Independent Board Chair
- ⇒ Child Sexual Exploitation Online

⇒ Board Oversight of Harmful User-Generated Content
⇒ Address Wealth Inequality Through an Ownership Culture
⇒ Assessment of Metaverse User Risk and Advisory Shareholder Vote
⇒ Human Rights Impact Assessment on Targeted Advertising Business Model
⇒ Performance Review of Audit and Risk Oversight Committee

Given the ongoing controversies, NorthStar Asset Management, Inc. of Boston and the New York State Comptroller Thomas P. DiNapoli, Trustee of the New York State Common Retirement Fund, re-filed their shareholder proposal seeking a recapitalization plan that would eliminate the company's dual-class structure.

"When the stock is going up, no one wants to complain about the governance issues at Meta Platforms, but the risks are always there," explained Julie Goodridge, CEO of NorthStar. ***"The recent revelations due to the whistleblower Frances Haugen reaffirmed what we already knew – that no one can keep Zuckerberg accountable but himself. This structure is not good for the company or our society."***

Another proposal filed by the Illinois State Treasurer asks for the separation of the Board Chair and CEO roles, considered a best-practice standard to enhance risk management.

"Too much control given to one person is not a good model for any company and Meta has shown us over and over again the risk it carries for its users and investors," said Illinois State Treasurer Michael Frerichs. ***"An independent board chair is an important step forward to provide real oversight over management, address governance failings, help restore trust in the company, and better protect shareholders' interests. We hope the company will use this as an opportunity to take a decisive step toward building a more successful, sustainable company for the long term."***

Several proposals cited civil and human rights risks due to the company's collection of users' personal and behavioral data and its use of algorithms to deliver targeted content, including advertisements, via its platforms. Meta was fined $5 billion for such privacy violations by the U.S. Federal Trade Commission in 2019 and as reported in the widely-read Facebook Files, whistleblower Frances Haugen revealed that the company had long known that its targeting of ads could be detrimental to mental health, body image, and political polarization. Meta now faces a lawsuit from investors for allegedly violating federal securities laws by presenting inaccurate statements about the harm its products can cause.

"Meta's business model relies on a single source of revenue – advertising. That advertising relies on algorithmic systems that determine what users see resulting in and exacerbating systemic discrimination and other human rights violations," said Lydia Kuykendal of Mercy Investment Services. ***"As investors, we see a Human Rights Impact Assessment evaluating the company's targeted advertising policies and practices as essential to identify and prevent such adverse human rights impacts that might expose the company to reputational, legal, business and financial risks."***

As a proposal from Arjuna Capital highlights, "shareholders worry [that] the metaverse will generate dystopian downsides and investment risk, given Facebook's appalling track record addressing human and civil rights and privacy concerns affecting billions of people globally." Their proposal requests an advisory shareholder vote on its metaverse project after publishing a report summarizing the results of a third-party assessment of potential psychological and civil and human rights harms to users that may be caused by the use and abuse of the platform, and whether harms can be mitigated or avoided, or are unavoidable risks inherent in the technology.

"Facebook's (Meta's) transformation into the metaverse is not a fait accompli," said Natasha Lamb, managing partner of Arjuna Capital, who has engaged with Facebook for the last 5 years. ***"In the face of anti-trust litigation, whistleblower testimony, congressional hearings, and abysmal governance practices, investors seriously question Zuckerberg's ability to lead this transformation and whether Facebook has the social license to operate a potentially dangerous emerging technology. The same issues Facebook is reckoning with—discrimination, human and civil rights violations, incitement to violence, and privacy violations—will only be heightened in the metaverse. That's why investors need to understand the scope of these potential harms, and actually weigh in on whether or not this is a good idea before we throw good money after bad."***

Further information about the proposals, the proponents, and their comments for the record are available here.

About the Investor Alliance for Human Rights

The Investor Alliance for Human Rights is a collective action platform for responsible investment that is grounded in respect for people's fundamental rights. Its members include asset management firms, public pension funds, trade union funds, faith-based institutions, family funds, and endowments. Collectively, they represent over US$6trillion in assets under management and 19 countries. The Investor Alliance is an initiative of the Interfaith Center on Corporate Responsibility. Visit our website at: https://investorsforhumanrights.org/ and follow us on Twitter: @InvestForRights.

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