

RESOLVED: Shareholders direct the board of directors of Meta Platforms, Inc. to publish an independent third-party Human Rights Impact Assessment (HRIA), examining the actual and potential human rights impacts of Facebook’s use of artificial intelligence systems that drives its targeted advertising policies and practices throughout its business operations. This HRIA should be conducted at reasonable cost; omit proprietary and confidential information, as well as information relevant to litigation or enforcement actions; and be published on the company’s website by June 1, 2025.

WHEREAS: Facebook’s business model relies almost entirely on ads, with over 98% of Facebook’s global revenue in 2022 generated from advertising. Facebook ad revenue stood at nearly \$114 billion in 2021, a new record for the company and a significant increase from previous years[1].

Meta deploys artificial intelligence tools to enable the delivery of targeted advertisements. These algorithmic decision-making systems determine what individual users see, resulting in and exacerbating systemic discrimination[2] and other human rights violations. Data used to enable the targeting of such ads include personal and behavioral data of Facebook users, which further exposes Facebook to user privacy violations. Facebook was fined \$5 billion for such privacy violations by the U.S. Federal Trade Commission in 2019 and \$1.3 billion in 2023 for violating data privacy rules in the European Union (EU)[3].

Over the last year digital advertising has continued to be closely examined. There is growing global consensus among civil society experts, academics, and policymakers that targeted advertising can lead to the erosion of human rights. Legislation in Europe[4] and the United States[5] is poised to severely restrict or even ban targeted ads.

The most transformative legislation to date has come into effect in the EU. The Digital Services Act (DSA) imposes new obligations on companies operating in the EU, including banning or limiting certain user-targeting practices and sharing some internal data with regulators and associated researchers. Currently, this transparency and accountability stops at the borders of the EU. However, we know this to be a global problem. Given that, under the DSA, Meta has already set up data collection and reporting infrastructure to provide detailed reporting[6] for EU regulators, it should be even easier for the company to conduct a global HRIA on these practices. This would allow the company to assess the feasibility of applying the strong provisions it adheres to in the EU on a wider scale.

Facebook's business model relies on a single source of revenue – advertising. Targeted advertising, given concerns around the fairness, accountability, non-discrimination, and transparency of the underlying algorithmic system, has been heavily scrutinized for its adverse impacts on human rights, and could face significant regulation beyond existing laws. This is a material risk to investors. A robust HRIA will enable the company to better identify, address, mitigate and prevent such adverse human rights impacts that expose the company to reputational, legal, business and financial risks.

[1] <https://www.statista.com/statistics/268604/annual-revenue-of-facebook/>

[2] <https://www.nytimes.com/2019/03/28/us/politics/facebook-housing-discrimination.html>

[3] <https://www.nytimes.com/2023/05/22/business/meta-facebook-eu-privacy-fine.html>

[4] <https://www.brookings.edu/techstream/what-the-european-dsa-and-dma-proposals-mean-for-online-platforms/>

[5] <https://mashable.com/article/filter-bubble-transparency-act-threatens-facebook-news-feed>

[6] <https://transparency.fb.com/sr/dsa-transparency-report-oct2023-facebook/>;
<https://transparency.fb.com/sr/dsa-transparency-report-oct2023-instagram/>