

Human Rights Risk Assessment - Children's Privacy/Marketing 2015 – Facebook Inc.

WHEREAS: Company risks related to human rights violations, such as litigation, reputational damage, and project delays and disruptions, can adversely affect shareholder value.

Facebook states that “advancing human rights” is core to the company’s mission and joined the Global Network Initiative (GNI) with the expressed goal of protecting and promoting the human rights to freedom of expression and privacy. Participants in the GNI commit to comply with a set of principles, but the GNI’s principle of “Privacy” has thus far been interpreted to mean protection against disclosure of telecommunications users’ personal data to government entities only. Facebook has not committed to protect young consumers from threats to privacy involving commercial use of personal information or from harmful advertising. This is concerning given the increasing reliance on users’ data by marketers, the intensive use of social media by young people, and youths’ heightened susceptibility to marketing messages.

Facebook has yet to publish a human rights policy or risk assessment, the importance of which are reflected in the United Nations Guiding Principles on Business and Human Rights of 2011. Adapting these Principles into guidance for considering impacts on children’s rights, the Danish Institute/UNICEF specifically included “marketing and advertising that respects and supports children’s rights.” Children’s right to privacy is memorialized in the UN Convention on the Rights of the Child.

Given the unparalleled amount of personal data amassed on its platform, Facebook’s business exposes it to children’s rights risks that have not been assessed by the company. For example, given the influence that food marketing has on children’s diets and the extent of the global childhood obesity epidemic, carrying and facilitating extensive food marketing to youth present significant risks. The food industry is spending an increasing proportion of its marketing dollars to advertise to young people on social media and, with data brokers as intermediaries, use personal data of Facebook’s young users to precisely target ads.

In October 2013, Facebook announced eased privacy rules for children ages 13 to 17. A month later, Facebook made changes to its privacy policies that make clear that, by having a Facebook account, users allow the company to use their posting and other personal data for advertising.

RESOLVED, that shareholders of Facebook, Inc. (“Facebook”) urge the Board of Directors to report to shareholders, at reasonable cost and omitting proprietary information, on Facebook’s process for identifying and analyzing potential and actual human rights risks of Facebook’s operations (referred to herein as a “human rights risk assessment”) addressing the following:

- Human rights and, specifically, children’s rights principles used to frame the assessment
- Frequency of assessment
- Methodology used to track and measure performance
- Nature and extent of consultation with relevant stakeholders in connection with the assessment
- How the results of the assessment are incorporated into company policies and decision making

The report should be made available to shareholders on Facebook’s website no later than October 31, 2015.