

[Meta Platforms, Inc.: Rule 14a-8 Proposal, November \_\_, 2021]

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ITEM 4\*: Report on external costs of misinformation

**RESOLVED**, shareholders ask that the board commission and disclose a report on (1) risks created by Company business practices that prioritize internal financial return over healthy social and environmental systems and (2) the manner in which such risks threaten the returns of its diversified shareholders who rely on a productive economy to support their investment portfolios.

#### **Supporting Statement:**

On October 5, 2021, Frances Haugen, a former Company data scientist, testified before the U.S. Senate. Her testimony highlighted the Company's prioritization of its profits over social and environmental systems that undergird our economy and the wellbeing of its users:

*I'm here today because I believe Facebook's products harm children, stoke division and weaken our democracy.<sup>1</sup>*

The Company reached 3,210,000,000 users in the third quarter of 2020.<sup>2</sup> Its platforms affects users' perceptions, and these perceptions affect social institutions and the ability of the global community to address potentially catastrophic threats. As one expert bluntly stated:

*Facebook is becoming the last bastion of climate denial.<sup>3</sup>*

Company personnel know its content is harmful:

- *We know that COVID vaccine hesitancy has the potential to cause severe societal harm.<sup>4</sup>*
- *We make body image issues worse for one in three teen girls.<sup>5</sup>*

But a former employee says the Company accepts those harms to increase its profits:

*The company's leadership knows how to make Facebook and Instagram safer, but won't make the necessary changes because they put their astronomical profits before people...<sup>6</sup>*

These harms matter to shareholders, most of whom diversify their investments to optimize return. Diversified shareholders lose when companies harm the economy, because the value of a diversified

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<sup>1</sup><https://www.nytimes.com/2021/10/05/technology/haugen-facebook.html>

<sup>2</sup> <https://www.statista.com/statistics/947869/facebook-product-mau/>

<sup>3</sup> <https://www.commondreams.org/newswire/2021/09/16/new-facebook-study-99-percent-climate-disinformation-goes-unchecked>

<sup>4</sup> [https://www.wsj.com/articles/facebook-mark-zuckerberg-vaccinated-11631880296?mod=series\\_facebookfiles](https://www.wsj.com/articles/facebook-mark-zuckerberg-vaccinated-11631880296?mod=series_facebookfiles)

<sup>5</sup> [https://www.wsj.com/articles/facebook-knows-instagram-is-toxic-for-teen-girls-company-documents-show-11631620739?mod=article\\_inline](https://www.wsj.com/articles/facebook-knows-instagram-is-toxic-for-teen-girls-company-documents-show-11631620739?mod=article_inline)

<sup>6</sup> *Supra*, n.1.

portfolio rises and falls with GDP.<sup>7</sup> While the Company may profit by inflicting social costs, its diversified shareholders pay the bill.

In contrast, our CEO is not diversified. His wealth is concentrated in Company shares: unlike most shareholders, his investments do not absorb the social costs the company creates.

We ask the Company for a report identifying and analyzing areas where the Company's practice of maximizing its own financial returns is opposed to the interests of its diversified shareholders in a healthy economy. This will help shareholders understand where the Company's prioritization of "astronomical profits before people" creates a financial risk to their portfolios. Such a report would not need to provide precise numbers: identifying areas where the Company creates systemic risk—as internal Company documents already do— and analyzing how those risks might manifest as economic costs that threaten diversified portfolios would highly useful to shareholders.

Please vote for: Report on external costs of misinformation – Proposal 4\*

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[\*Number to be assigned by the Company]

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<sup>7</sup> [https://www.unepfi.org/fileadmin/documents/universal\\_ownership\\_full.pdf](https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf); cf. <https://www.advisorperspectives.com/dshort/updates/2020/11/05/market-cap-to-gdp-an-updated-look-at-the-buffett-valuation-indicator> (total market capitalization to GDP "is probably the best single measure of where valuations stand at any given moment") (quoting Warren Buffet).