This coming June, Arjuna has new proposals set to go to a vote of shareholders at Facebook, Google, and Twitter. We ask the firms' boards to report to investors on how the companies are managing the risks posed by election interference, fake news, hate speech, sexual harassment, and violence disseminated over their platforms.

For over a year, Arjuna has been sounding an alarm at Facebook—a call which seemingly fell on deaf ears. In 2016 our clients used the power of their share ownership to file a proposal at the social media giant asking its board of directors to describe the impact that "fake news" on its platform has on the democratic process. When that proposal went to a vote at the annual meeting last June, it received little investor support. Recent revelations, however, underline the prescience of our concerns.

Specifically, our 2017 proposal stated:

"Shareholders request Facebook issue a report reviewing the public policy issues associated with fake news enabled by Facebook. The report should review the impact of current fake news flows and management systems on the democratic process, free speech, and a cohesive society, as well as reputational and operational risks from potential public policy developments."

Today, our request has garnered a new level of attention. Over the course of the last nine months, the social media giant has come under increased public scrutiny. On April 10th and 11th, Facebook's CEO, Mark Zuckerberg, testified before Congress, an invitation precipitated by the Cambridge Analytica scandal—a revelation that 87 million Americans' data was compromised and used to manipulate Facebook users in the lead-up to the 2016 presidential election.

While that was the first time Zuckerberg himself sat in the hot seat, it was not the first time Facebook faced Congressional probing. On November 1st of last year, lawyers from Facebook, Twitter, and Google testified before Congress about the companies' role spreading Russian disinformation during the US presidential election. Only then did we learn that over 200 million American's viewed propaganda, or "fake news," in the weeks before the election.

In January, UK Prime Minister Theresa May used her speech at Davos to tell investors they have a "vital role" to play in pressing the likes of Facebook and Twitter to remove inappropriate content. She pointed to the example of Arjuna Capital and our co-filer, the New York State Common Retirement Fund, for filing shareholder resolutions asking Facebook and Twitter for details of "abuse that take[s] place on the companies' platforms." She underlined "Investors can make a big difference here by ensuring trust and safety issues are being properly considered. And I urge them to do so."

This coming June, Arjuna has new proposals set to go to a vote of shareholders at Facebook, Google, and Twitter. These proposals ask the firms' boards to report to investors on the broader set of issues that fall under the more encompassing notion of "content governance." That is, how the companies are managing the risks posed by election interference, fake news, hate speech, sexual harassment, and violence disseminated over their platforms.

So far, it has taken Congressional testimony to extract some of the information our proposals seek. But, investors are taking note. Leading proxy advisory firm, Institutional Shareholder Services (ISS), issued a report in March entitled "*Trouble in Tech: a Crisis of Trust in Social Media*," where they outlined the material risks to Facebook's business—the use of the "platform to influence major international political campaigns," and the "eroded…level of trust among users, calling into question the company's business model and its governance." ISS highlights that "Facebook investors have collectively lost more than $90 billion in market value since March 16th," when the Cambridge Analytica revelations hit. Accordingly, we expect more support for our proposals when they come to a vote this June.

Natasha Lamb, Director of Equity Research & Shareholder Engagement