

Resolved:

Shareholders request the Board of Directors (the “Board”) of Meta Platforms, Inc. (“Meta”) commission an independent review of the role of the Audit and Risk Oversight Committee (the “Committee”) in ensuring effective Board oversight of material risks to public well-being from Meta’s operations. The review should be conducted at reasonable expense with a public summary, omitting confidential or privileged information. A full report of the review should be publicly disclosed on Meta’s website.

Supporting Statement:

In 2018, following the Cambridge Analytica scandal in which the company allowed Facebook user data to be improperly acquired and used for political purposes, the Board broadened the charter of the Audit Committee, renamed the Audit and Risk Oversight Committee, making it responsible for reviewing “at least annually” risk exposures, including ESG risks, such as data privacy, community safety, and cybersecurity, as well as management’s efforts to monitor and mitigate such exposures.

Nevertheless, Meta’s social media platforms have continued to contain troubling content including:

- advertisements on Facebook by white supremacist groups that have violated Facebook’s terms of service;
- far-right militia groups that have organized and recruited on Facebook;
- the spread of COVID-19 misinformation on Facebook;
- the spread of election misinformation on Facebook leading up to the January 6, 2021 attack on the U.S. Capitol; and
- content on Instagram that Meta’s internal research has shown is damaging to adolescent girls’ mental health; and
- inappropriate behavior by users on Meta’s VR platforms.

Further, the D.C. attorney general has filed litigation against Mark Zuckerberg for Meta’s alleged data abuses, and Meta is facing a class action lawsuit led by Ohio Public Employees Retirement System for over \$100 billion in lost shareholder value, alleging Meta intentionally misled the public and investors about the negative impact of its products on minors.

Proponents recommend a review assessing the Committee’s role in promoting effective fiduciary oversight by the Board, including the extent to which the Committee ensures Board access to necessary data on issues related to risks to public well-being, the frequency with which management brings “red flag” issues to the attention of the Board, and the depth of Board consideration of these issues. We note directors are liable under Delaware law if they “consciously failed to monitor or oversee [the company’s] operations thus disabling themselves from being informed of risks or problems requiring their attention,” particularly if they lack an effective system to flag and monitor material issues.

In our view, an independent assessment of the Committee’s oversight of public safety and public interest risks will help identify any needed mitigation measures such as additional access to internal and external experts, director training, increasing the frequency of Committee engagement with management, or providing an avenue for employees to anonymously report issues to the Committee.

For these reasons, we urge shareholders to vote for this proposal to protect investor value through authentic, well-resourced risk oversight at Meta.