



Michael Passoff Statement at Facebook Annual Shareholder Meeting, May 27, 2020

Good morning Mr. Chairman, members of the board, and fellow shareholders,

My name is Michael Passoff and I am the CEO of Proxy Impact. I am here this morning to present proposal #10 asking the board to assess ***the risk of increased sexual exploitation of children as the Company develops and offers additional privacy tools such as end-to-end encryption.***

This resolution was filed by Proxy Impact, along with Lisette Cooper, the Maryknoll Sisters, the Dominican Sisters of Caldwell, NJ, and the Stardust Fund.

In 2019 there were nearly 17 million reported cases of online child sexual abuse material, of that, nearly 16 million – **or 94%** - came from Facebook and its platforms, including Messenger, Instagram and WhatsApp.

Facebook is by far and away the world's #1 source of reported child sexual abuse materials.

Facebook's philosophy of **"Move fast and break things"** should not apply to breaking children, physically or mentally.

The National Center for Missing and Exploited Children estimates that Facebook's plan to apply end-to-end encryption to all its platforms, without first stopping child sexual abuse material, could effectively make invisible 70% of child sexual abuse material –equal to an estimated 12 million instances that are currently being detected and reported.

Governments, law enforcement agencies and child protection organizations have harshly criticized Facebook's planned encryption claiming that it will cloak the actions of child predators and make children more vulnerable to sexual abuse. Pending legislation in Congress could make Facebook legally liable for child sexual abuse material. The company is facing increasing regulatory, reputational and legal risk due to this issue.

Shareholders are legitimately concerned that Facebook's role as a facilitator of child abuse and exploitation will spiral even further out of control if it adopts end-to-end encryption without first stopping predators who prey on children. Facebook's apparent callousness to the plight of child victims will likely led to consumer backlash and an even stronger response by Congress.

The shareholder proponents are not opposed to encryption and fully recognize the need for privacy, but **Facebook has a sexual predator problem** and moving to end-to-end encryption now will prevent law enforcement from stopping predators or helping child victims.

As Chairman, CEO, and founder who controls approx. 60% of the vote –you have full control here Mr. Zuckerberg. The decision to deploy end-to-end encryption and make child sexual abuse victims invisible and to protect sexual predators will be your decision.

I can't believe that you want that to be your legacy.

This company is innovative enough to fix this problem. You hold in your hands the opportunity of a lifetime. When you look back at the most significant impacts you made on society, I hope that one of them is **the day that you made the Internet a safe place for children.**