

Filed Under Seal

Exhibit C

Cosmetic Surgery Effects (a/c priv)

A. Meeting Goals

1. Confirm everyone's recommendation among options
2. Decide if/how to escalate to Mark for a quick steer on direction

B. Decision Needed

Should we prioritize safety/wellbeing or voice (and possibly growth) when deciding to continue to prohibit or allow Cosmetic Surgery Effects by Developers on Spark AR? There are currently 33K Effects by Creators in a backlog since October 2019 (we receive on average 9k submissions daily).

Policy Team's Recommendation:

- **Option 1: Continue the temporary ban with current Policy and re-evaluate when there is more definitive data on harm and product impact**
 - Pros: least risk of negative wellbeing impacts, esp. for minors; consistent with external experts advice; positive PR feedback
 - Cons: could push people to other services; limits AR creators; could be perceived as very Western/North American centric.

Other Options Considered:

- **Option 2: Explore new ways to relax the temporary ban (e.g. Permit category 1 effects that include facial distortion without character transformation) [i18n Recommendation]**
 - Pros: could allow more expression; more consistent with APAC user preferences
 - Cons: the effects i18n most wants to allow here are the ones that the safety experts most want us to ban, so this option won't help - we'll just be back here again with the same question in a month.
- **Option 3: Lift the temporary ban once we have new guardrails in place (e.g. permit but not recommend, age-gate, consent/warning screen)**
 - Pros: pro-expression; limits risk of pushing to other services
 - Cons: possible PR/regulatory backlash; risk of long-term harm, esp. for minors; requires time and eng work to build
- **Option 4: Lift the temporary ban without restriction. [Spark AR Recommendation]**
 - Pros: pro-expression; easier to contemplate future product innovation (e.g. full body editing beyond face)
 - Cons: possible PR/regulatory backlash; risk of long-term harm, esp. for minors.

CAVEAT: Data on product impact is limited and research in this field is too new and not yet robust. Therefore, we are making a **value-based** decision here without sufficient data. The decision would impact Spark AR and its supported apps: Instagram, Messenger, and Facebook.

C. Information Needed for Decision

Cosmetic Surgery Effects: AR / camera effects that change people's facial structure in a way that cannot be achieved by ordinary makeup techniques and must be achieved by plastic surgery such as enlarging eyes or lips, changing the position of eyes, changing the shape of nose or chin.

Current Policy

- No effects that explicitly promote plastic surgery (e.g. nip/tuck lines on the face)
- Fantastical effects that change a person's facial structure for the purpose of turning the person into a character or animal are permitted.
- Effects that give the person makeup, as long as they are not coupled with facial distortion, are permitted. Note that there is an internal delta in the definition of what is "achievable" makeup effects. Policy team has defined this as disallowed: "Effects that change the size or shape of a user's facial features for cosmetic purposes." Messenger has taken a broader approach and created effects that enlarge eyes and slim chins because some makeup approaches could give you a similar effect. See [here](#) for more details.
- Skin smoothing is permitted.
- We permit users to upload images via other photo manipulation services that mimic cosmetic surgery.

Interim Policy

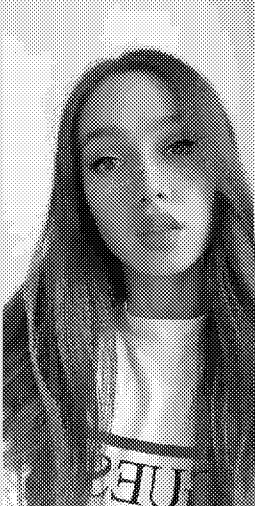
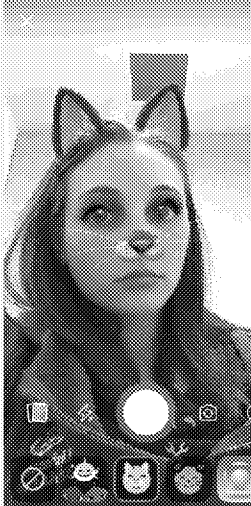
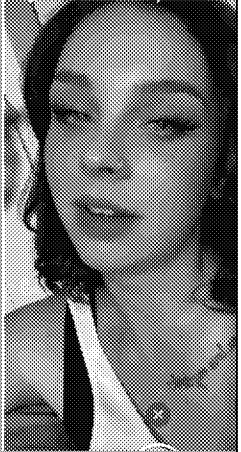
In October 2019, we made a decision to **temporarily ban** Cosmetic Surgery Effects to create parity with Instagram's first party effect policies. It was instituted following growing concern about user safety and wellbeing, negative press coverage, and questions from regulators. Following the temporary ban, Policy ran a monthslong policy development process, including internal and external engagements. This process reaffirmed the temporary ban.

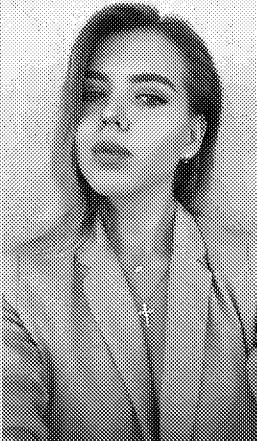
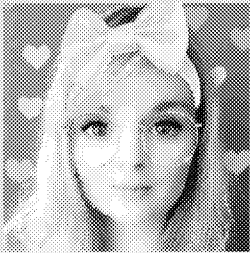
There is now a backlog of 33K effects (c. 8x daily new effect volume) impacted by the temporary ban.

Red = currently not allowed under interim policy

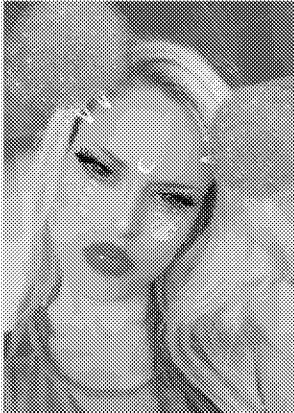
Light green = currently allowed under *interim* policy

Dark green = always allowed

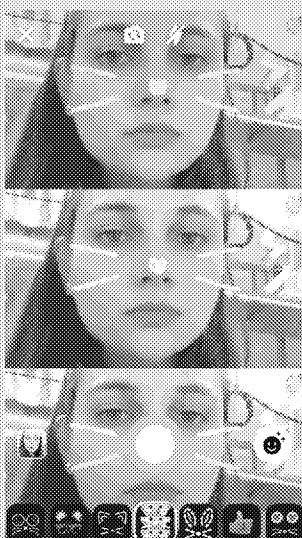
1. Cosmetic Surgery Effects	2. Cosmetic Surgery Effects + Decorations	3. Cosmetic Surgery Effects + Character Transformation	4. Cosmetic Surgery Effects + Exaggerated or Humorous Transformation	5. Makeup effects
Changes size or shape of facial features only	Changes size or shape of facial features PLUS adds one or more decorations	Changes size or shape of facial features PLUS adds multiple features that are integral to a character	Drastically changes size or shape of facial features in a way that is obviously exaggerated or humorous and not for beauty purposes	Adds makeup to the user and does NOT change the size or shape of facial features
	Ex: flower crown, freckles, glasses, bow, hat, sparkles	Ex: cat ears, whiskers	Ex: witch nose, exaggerated eyebrows, bug eyes, face-aging	Ex: lipstick, eyelashes, blush, eyeshadow, skin smoothing, blush, etc.
 (Enlarges the eyes)	 (Slims nose, enlarges lips)	 (Enlarges eyes)		

	 (Slims nose, enlarges lips)	 (Slims chin)		
	 (Enlarges eyes, slims chin)			

However, the grey area across the spectrum #1 through #5 above is big. Here are some examples of borderline effects.

	
<i>Reject:</i> The character is Rudolph but it only has two character elements (antlers and nose). Effect makes eyes bigger and changes the shape of the	<i>Reject:</i> Not really a “character” and only has two elements (hair clips + face art)

forehead.

		
<i>Reject:</i> No character transformation, adds 2 decorations. Eye enlarging, chin slimming.	<i>Reject:</i> No character transformation. Eye enlarging, chin slimming.	<i>Reject:</i> No character transformation, adds two decorations. Chin slimming.

	
<i>Approve:</i> Not a recognizable "character" but has three elements (face jewels, face paw prints, ears)	<i>Approve:</i> Character looks like pikachu, has three elements.

D. Summary of Challenges

See Appendix for more details

1. i18n differences
2. Product/business impact unknown and we won't have enough research for a long time
3. Platform vs app differences: MSGR vs. IG vs. Platform enforcement is different today
4. Market evolution: we don't know what other platforms will do; what products will be launched.

E. Next Steps

1. Decide on central product ownership of this issue across Spark AR Platform and Family of Apps and establish working model

Appendix

Summary

While the research in this field is new and there is not yet robust causal evidence, experts and academic research from around the world -- APAC included -- generally agree that these effects are cause for concern for mental health and wellbeing, especially amongst vulnerable populations (females, youth, those with history of mental health concerns, etc.). Banning these effects limits voice and creativity for some users and AR creators. Data is limited, so we do not know how the ban on cosmetic surgery effects impacted key user engagement metrics or revenue, but any constraints are likely to reduce engagement. While we know Google has been struggling with the idea of user consent when "camera beautification" is offered, no other platforms have similar, external limitations.

On real harm, we do not have any conclusive, long term and substantive evidence beyond expert opinion. The evidence we have is from independent experts, that cosmetic surgery effects are concerning and have an impact on mental health and wellbeing, especially for teenage girls. Outreach summary. Many of these experts recognised that it was a nuanced problem. Additionally, we have limited, inconclusive evidence: [1] The Policy team's research found a study which showed that young women who spend more time on Facebook may feel more concerned about their body image (Fardouly, 2015; Tiggemann and Slater, 2013) but this was a small study of a very limited cohort (n=227). [2] Creator Research in APAC shows that creators see a need for effects that have subtle "enhancements", but don't feel the need for ones that drastically change a person's face. The work also pointed to inconsistencies between taking a strong stance on their effects and no stance on "photoshopped" content.

On **Harm to Spark Creators and Platform**, we have evidence that on average, cosmetic surgery effects have a slightly higher share+save rate than third party non-Cosmetic Surgery Effects (15% vs 13%). Additionally, creators are uneasy about the line that feels like it's being drawn by IG/FB about beauty standards: Perceptions of Beauty AR- RU & UK. Furthermore, consumers in Russia are using beauty AR extensively in their day to day lives to make Stories more interesting, to save time on make-up, and for self-esteem. Where we have inconclusive evidence is with regards to policy driving a downturn in the number of clients and project cancellations.

Policy Background

Spark Effects require different consideration beyond other content on our platforms, because we are giving Creators the tools to create these Effects; and as opposed to a story which can simply be shared, Masks are by their nature designed to be shared but also imitated at scale, which leads to exponential different impact.

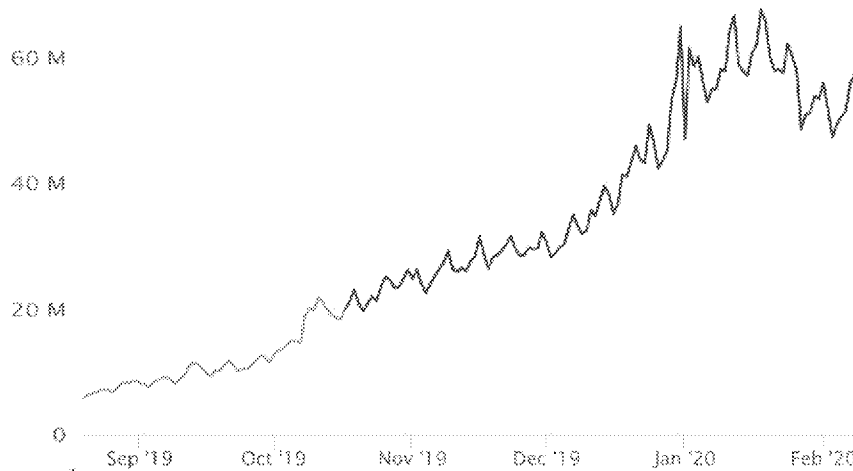
It should be noted that there are different cultural norms, and while the "pressure to be perfect" isn't uniformly seen as wholly negative in APAC, providing these filter effects reduces the already scant support available for anyone holding diverse and alternative standards of beauty. A large part of the narrative to our top partners in all FCI's is that Instagram in particular is a safe platform to be authentic, and not to be a proponent of impossible beauty standards that "glorified or mimicked plastic surgery."

In October 2019, there was a series of articles skewering Instagram about third party Cosmetic Surgery effects. The articles focused on the negative impact these effects could have on mental health and body dysmorphia issues for teens, especially girls. Leads from the Policy, Instagram, and Spark product teams agreed to a temporary policy to stop approving Cosmetic Surgery Effects. While press's response was overwhelmingly positive, they did not take away the temporary nature of the policy, and we foresee significant comms fallout if the interim policy is reversed. Company spokespeople, including IG Head of Product Vishal Shah, have spoken publicly about the policy as part of IG's well-being efforts. (See coverage here).

In November, the Content Policy team aimed to finalize the policy for AR Cosmetic Surgery Effects through the Product Policy Forum -- the company's regular policymaking process. During that process, stakeholders from Content Policy, IG public policy, Spark AR product, IG product, Comms, Operations, Research, and Product Marketing generally supported continuing the ban on Cosmetic Surgery Effects. This policy development process explored various options, including age-gating Cosmetic Surgery Effects and removing Cosmetic Surgery Effects from recommendation surfaces. (For more info on the options considered and the pros and cons, see Appendix I). Ultimately, the ban was provisionally passed, pending completion of further APAC-focused data analysis, additional outreach to experts, and additional literature review. Following this additional work, we decided to escalate the issue to App Leads to ensure alignment with the recommendation to continue the ban.

User Engagement & Cosmetic Surgery Effects Ban

As data is limited, we do not know how the ban on Cosmetic Surgery Effects impacted key user engagement metrics. It is likely that we will see a negative growth impact, simply because any restriction is likely to reduce engagement. This chart shows DAP for Spark AR Effects on IG before (green) and after the ban (purple):



(For additional data, see [Appendix III - Additional Data](#).)

Potential Mental Health Impacts

- Exposure to “ideal” images throughout media (often thin, attractive women or muscular men; images digitally edited and/or with flattering poses and lighting) can lead to increased body dissatisfaction (see [1](#), [2](#)), though the effects are small and strongest for women with underlying vulnerability (e.g., pre-existing body dissatisfaction).
- The few experiments focusing on edited images involve *briefly* exposing participants to edited images and measuring *short term* changes related to well-being (e.g., body dissatisfaction), generally finding that edited images result in more body or face dissatisfaction than unedited images; there is little information on the effects of either longer term exposure to edited images, nor the durability of any associated well-being effects ([3](#), [4](#), [5](#), [6](#)).
- Disclaimers that an image has been edited (e.g., icons, text, warnings) are not consistently protective against negative effects on body satisfaction; in fact, several studies found potentially harmful effects (harmful: [6](#), [7](#), [8](#); mixed: [3](#), [9](#)).
- Most of the research has been on the impact of viewing others’ edited images -- there is very little research on impact of selfie editing behavior to the individual editing their own photos; correlationally and longitudinally it is associated with greater body dissatisfaction ([10](#), [11](#), [12](#)), and experimental assignment to edit a selfie did not improve anxiety associated with posting a selfie ([13](#)).
- Anecdotal evidence from the plastic surgery community suggests viewing and editing one’s own selfie images could activate desire for cosmetic surgery (‘Snapchat dysmorphia’, see [14](#), [15](#)); rates of requesting plastic surgery to improve appearance in selfies has gone up from 42% to 55% from 2015 to 2017 ([15](#)). Some hypothesized mechanisms where edited images could lead

to harmful effects include internalization of an unattainable beauty standard (15) or increased self-discrepancy (a contrast between one's actual vs. ideal self), which can be associated with dysphoria and/or attempts to reduce the discrepancy (16, see also 17).

- Information about potential positive effects is lacking and generally unclear; one small cross-sectional study from Korea found that the negative impacts of thin ideals and media pressures on body satisfaction were lessened for frequent photo editors (18). However, in general, the arguments that editing serves to improve self-esteem or control over self-presentation are in the context of a narrative that is generally negative about well-being (e.g., reinforcing negative processes like self-sexualization (19), narcissistic self-promotion (20), or addictive-like dependence on peer feedback (21)).

See this [doc](#) for more details

Voice & Creativity

The counterargument to concerns about wellbeing is the concern that by constraining access to these Effects, we may constrain people's voice in expressing themselves through developing certain Effects or presenting themselves as they choose. We have not done a research literature review on these counter-arguments to the well-being concerns, in part because it is a less active area of research.

While some creators contend that this ban limits their artistic expression, some, after hearing the rationale behind the interim policy (user well being), were accepting of the policy. For example, after a one-on-one session with top creator [Holy Mariia](#) to explain the policy background and rationale, that creator then went on to create other popular (non-cosmetic surgery) effects.

Another popular creator we worked one-on-one with, [@paigepiskin](#), [posted publicly](#):

As you can see on my page, the LIL icy eyes filter had to be changed according to policy guidelines. Social platforms are concerned with wellbeing and mental health and how filters that alter the face effect them. I think its very noble that they are trying to consider how to allow creative freedom while also considering well being protection, it must be a bit challenging for them to navigate this filter boom. [sic]

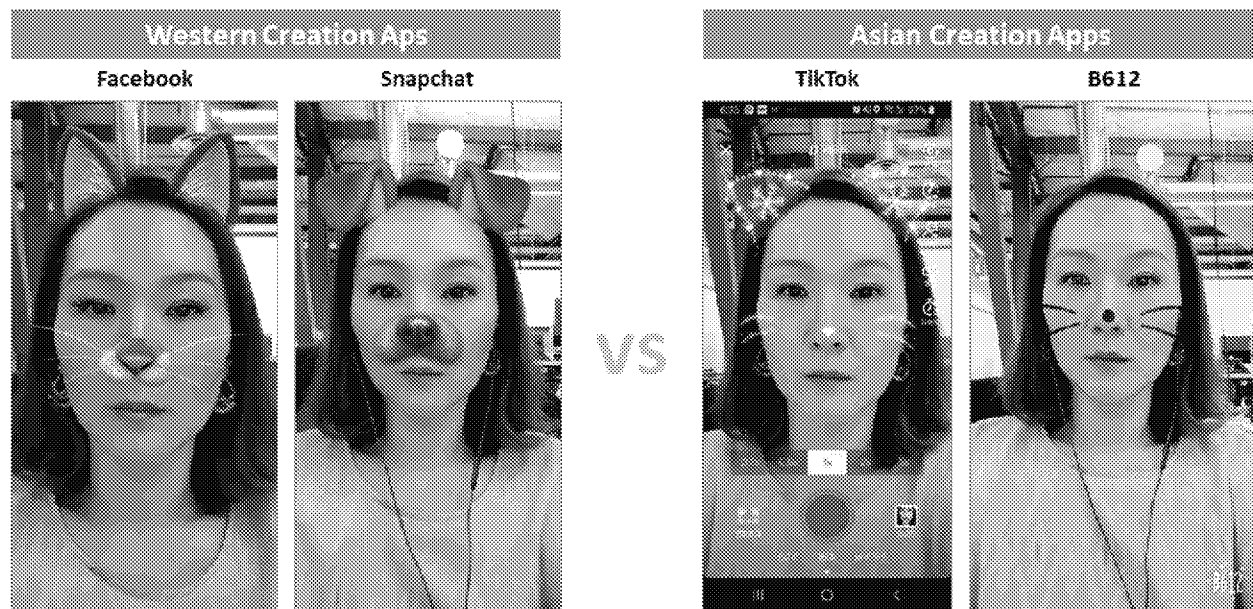
Asia Perspective

While social apps are widely used across Asia, the way Asians interact on these platforms differs from the West. This is due to the [Asian tradition of humility](#) that shuns self-promotion and encourages indirect and subtle ways of expression. The same principle applies to Asian users' expectations from AR effects and therefore, local creation apps that allow subtle facial feature modification are preferred over Western styled creation apps such as Snapchat ([data](#)).

A regional gap in the preference of AR effects can be clearly seen below where Asian apps apply more subtle effects compared to Western apps. These subtle effects can be achieved by makeup only. While they can result in a very slight facial distortion, we highly recommend to enable this in consideration of users in Asia. To be clear, the Asian creation app examples below would be banned under the current

policy. When the i18n team partnered with the Messenger team to test the impact of such subtle AR effects specifically designed for the Asian audience, a holdout test confirmed an 8% increase in camera shares in Asia compared to the global AR effects.

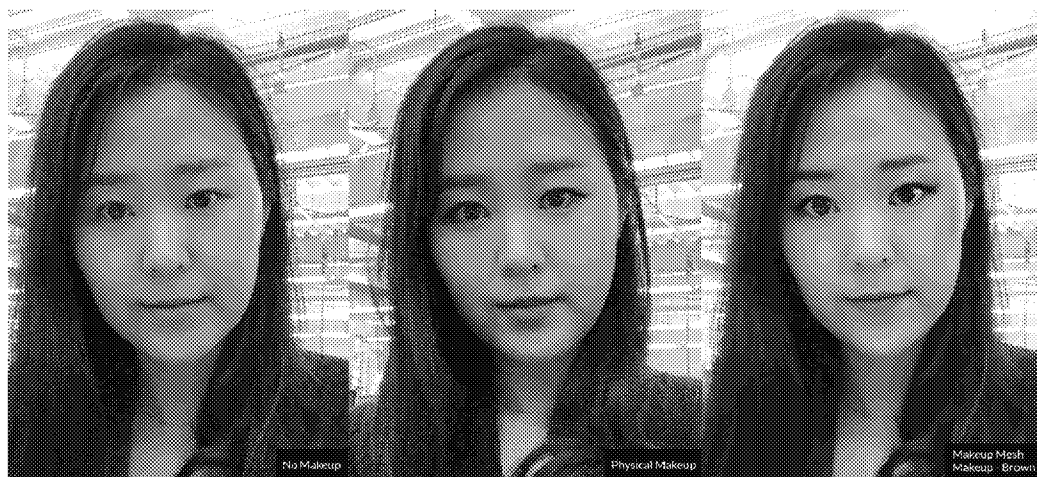
Since the interim Spark AR policy bans all types of facial distortion regardless of the intensity of changes (unless it is a fantastical transformation), this blocks an opportunity for the company to empower Asians to freely express themselves in **their** ways. The i18n team recommends that we allow makeup effects with subtle facial distortion and track engagement and impact of those effects to possibly re-evaluate the policy at a later point. This would allow us to develop a more nuanced and competitive policy over time that is inclusive of diverse perspectives.



First Party Effects

We create first party effects on two surfaces right now: Instagram and Messenger. Instagram does not produce any first party cosmetic surgery effects.

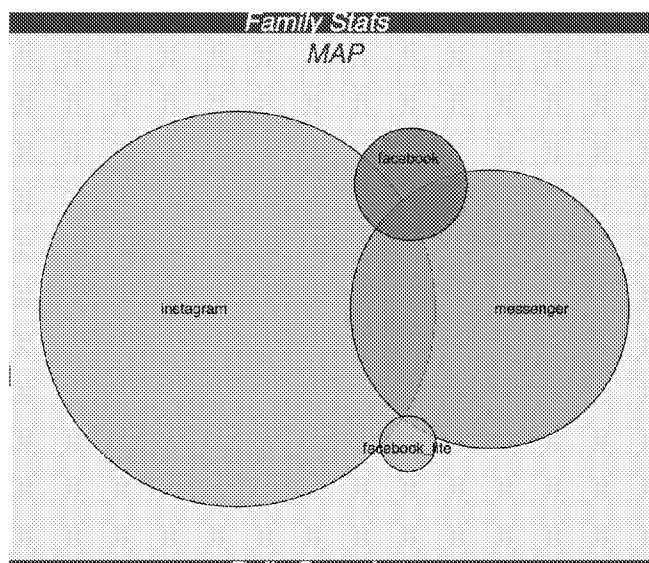
Messenger does create first party effects that violate the interim policy, stating: “Makeup can drastically change the perceived proportions of your face, so we are proposing basing our standards for facial distortions in non-fantastical effects on what is achievable with regular makeup.” Since professional-grade makeup applications can in some cases make eyes look bigger and chins slimmer, Messenger is using that as a rule-of-thumb on what they can do with facial deformation technology to give users the same effect (instead of using makeup effects themselves).



Additional Data

AR Usage Overview (MAP):

- Instagram: 328.99 million
- Facebook: 13.92 million
- Messenger: 139.78 million



Note: This shows the usage of all AR effects (both first party and third party) across the Facebook, Inc. platform. All effects in Messenger are first party (Messenger-created) effects and do not include third party effects. [Dashboard](#)

Effect Captures by Platform

Average daily overview by platform:

Instagram

- 1st Party: 54M avg daily captures by 410 effects
- 3rd Party: 393M avg daily captures by 643K effects

Facebook

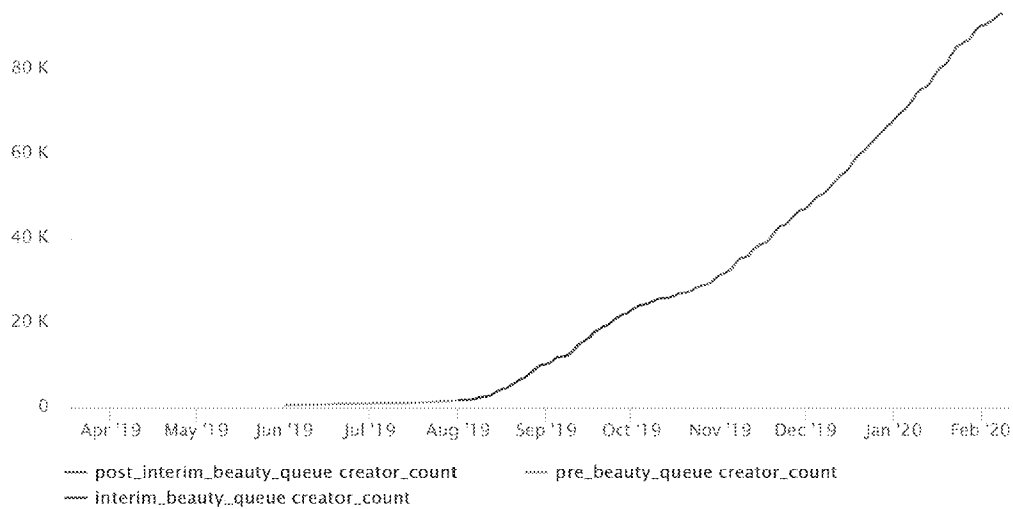
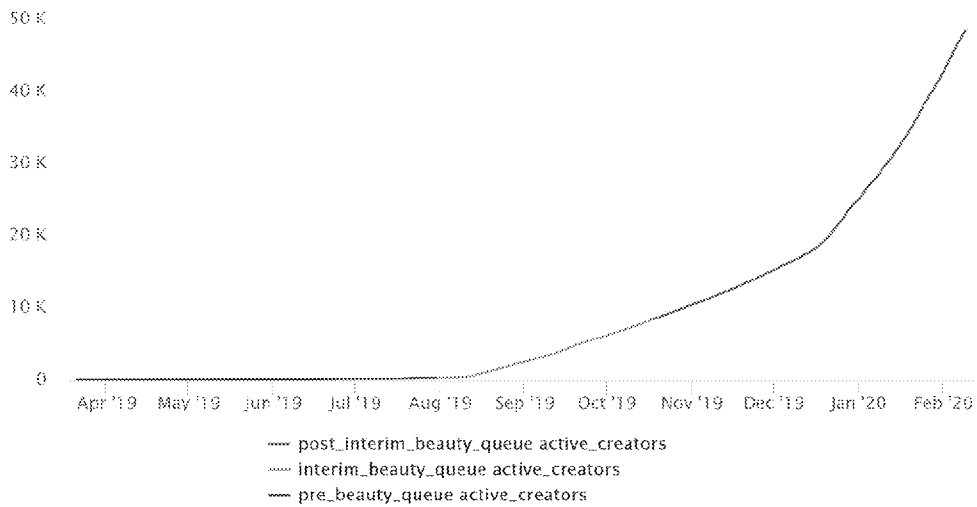
- 1st Party: 2M avg daily captures by 664 effects
- 3rd Party: 2M avg daily captures by 115K effects

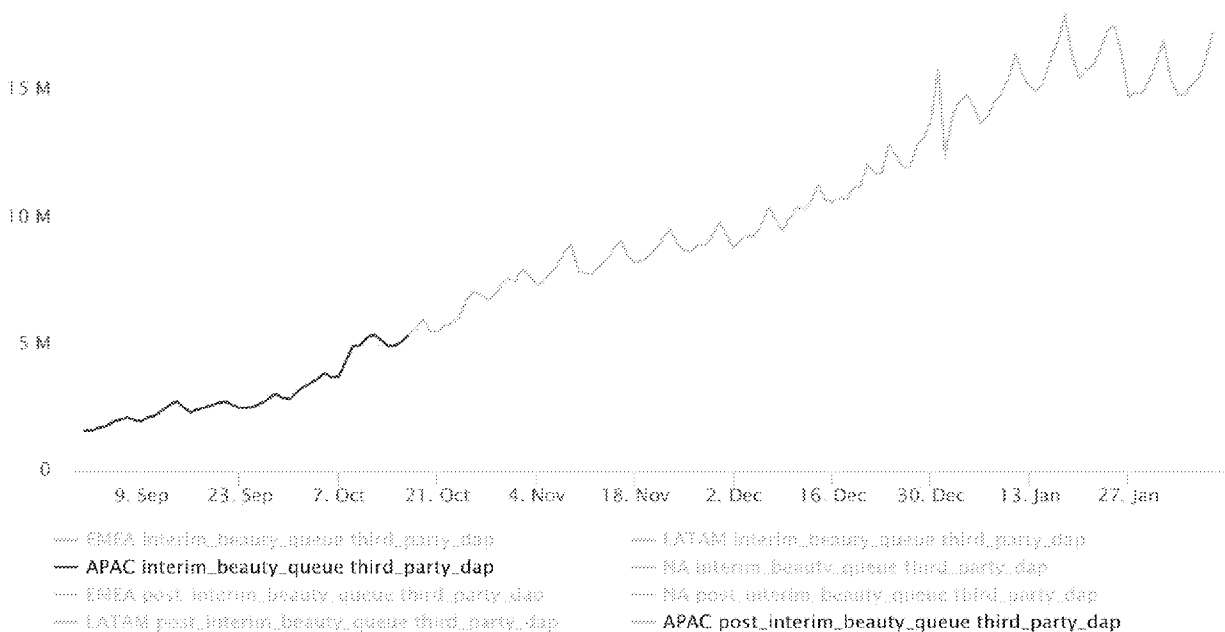
Query - Screenshot

FaceWarp (any effect that distorts the face that includes, but is not limited to, Cosmetic Surgery Effects) effects are responsible for about 25% of third-party Effect Try-ons and 35% of Stories Impressions.

- 5.5% of total third-party Effect Try-ons currently come from cosmetic surgery effects which are later placed in 'Beauty' queue following user/employee reports.
- All faceWarp live effects, at least 20% of try-ons come from cosmetic surgery effects and mainly have been published before policy introduction.

Facewarp Usage as a % of AR Usage: Query

Creator Growth pre/post policy: [Query](#)**Active Creator****APAC Creator Growth pre/post policy: [Query](#)****APAC Creators**

Consumer DAP**Top Effects:**

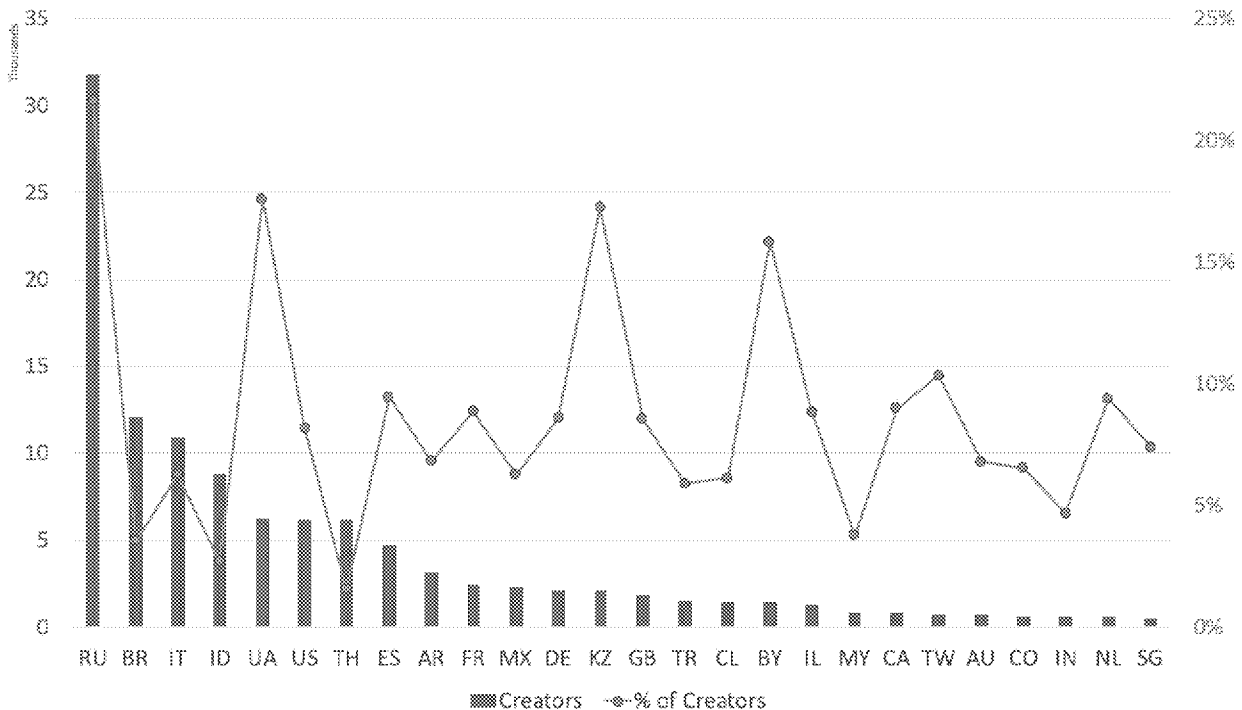
Until the interim policy launched in October, 0% of Cosmetic Surgery Effects were ranked in the Top 100 effects by try-ons.

Additional Effect Creation:

The data shows that creators who created Cosmetic Surgery Effects and who did not stop creating did so on average more often than their counterparts who did not create Cosmetic Surgery Effects.

- 42% of creators using “face warp” (any effect that distorts the face that includes, but is not limited to, Cosmetic Surgery Effects) ended up publishing other effects, which is in line with overall creator retention behaviour, so there is no reason to believe that creators might churn at a higher rate because of Cosmetic Surgery policy limitations.

Effects Usage: On average Cosmetic Surgery Effects have a slightly higher share+save rate than third party non-Cosmetic Surgery Effects (15% vs 13%).



US Accounts for 5% of the entire creator ecosystem. Russia @ 26%. About 12% of creators from the US have ever created an effect broadly categorized as *Beauty*. 30% of effect creators in the #1 market has made an effect categorized as *Beauty*.

Artists who built Beauty effects are primarily female (68% vs 43% for overall population), and come from our top creator markets: 41% of beauty creators are from Russia.

APAC Specific Camera Analysis

Historical analysis from the Local APAC team about specific camera trends.

- Asian beauty & makeup analysis - insights on Asian beauty/makeup as well as competitive insights.
- Asian camera effects trend - Asian camera trend in 4 focus areas in 2017
- Seoul Art team
- APAC Camera Effects Hold Out Test - 2018: A month-long holdout test resulted in a top line 8% increase in camera shares with masks

External Engagement Review

Full stakeholder engagement summary

- Generally, stakeholders support making a distinction between effects achieved via makeup versus those that can only be achieved via cosmetic surgery, though no line will be perfect.
- These extreme cosmetic surgery effects can have severe impacts on both the individuals using the effects and those viewing the images.
- Children are particularly vulnerable, however many others are vulnerable as well: those with a history of mental health challenges, eating disorders, etc.
- An additional round of outreach was done with 9 experts from APAC and MENA and these stakeholders reiterated the dangers these filters have in advancing unrealistic beauty standards and impacting mental health and body image and their feedback was consistent with prior stakeholder feedback.

