

FILED UNDER SEAL

EXHIBIT 40

Child Safety - State of Play (7/20)

Where are we with the various policy discussions relating to children on our platforms, and where we think we are most vulnerable and need to step up our efforts.

Child Exploitation

Policy Landscape

Our encryption announcement has created tremendous anxiety among CSAM safety stakeholders, and generated significant legislative activity across the globe centered around exceptional access and other technical requirements and/or intermediary content liability, as well as calls to break us up. Multi-national and multi-sector bodies, including the Five Eyes, the EUIF, and the WePROTECT Global Alliance, are driving a coordinated campaign against our message encryption plans, which has caught the attention of our advertising clients as well as large foundations such as the Oak Foundation and Skoll, and driven shareholder inquiries. A spike in CSAM reporting and increased dependence on online technologies during the pandemic has made this issue COVID 19 resilient. There is some risk we become isolated from the rest of industry, which could result in FB specific solutions (e.g., Apple has tried to differentiate FB e2e messaging based on social graph). Priority Countries: US, UK, Australia, India, EU and Brazil (other potential hot spots due to high incidence rates and/or active child exploitation legislation Philippines, S. Korea, Taiwan, Japan, Argentina, Chile and South Africa).

Legislative/Regulatory Action

- US: EARN-IT, Lawful Access to Encrypted Data Act
- UK: Cloud Act negotiations, TCN, Online Harms Bill
- AU: ongoing consultation on Online Safety Act, e-Safety Commissioner Safety by Design Principles
- Five-Eyes: Voluntary CSEA Principles
- India: traceability, amendments to "Protection of Children from Sexual Offences Rules, 2020" requiring direct reporting w/liability
- Brazil: proposed amendments to "good samaritan provision" in Marco Civil
- EU: EUIF to explore recommended best practices including technical requirements, EC to set up EU CSAM hub (note: much in direct contradiction to ePrivacy Directive)
- Philippines: Anti-ATIP bill, intermediary liability, duty not to host CEI, mandates turn-around-times, requires platforms to preserve evidence and proactively report CEI directly to local LE.
- South Korea: intermediary liability law for NCII and CEI
- Japan: National Police's annual report on Child Sexual Exploitation and Sexual Solicitation of Minors
- Belgium: NCII legislation 6 hr takedown or liability
- Other: Germany, Ireland, S.Africa, Japan, and Taiwan also have legislative activity

Immediate Product Vulnerabilities

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

Areas of Improvement

While some governments will not be satisfied with anything short of a backdoor, offering limited client-side scanning will satisfy leading safety stakeholders (NCMEC, IWF, NSPCC, Thorn,...) and many governments. It will, however, alienate some privacy stakeholders. Other areas where we can step up our efforts to help manage our vulnerabilities and push back against efforts to require encryption backdoors are listed below.

- **NCMEC Reports:**

- [REDACTED]
- [REDACTED]
- [REDACTED]

- **Minor Sexualization:**

[REDACTED]

- **TC Project Protect:**

[REDACTED]

- **Livestream:**

[REDACTED]

- **Interop:**

[REDACTED]

- **Ephemerality:**

[REDACTED]

- **IG:**

[REDACTED]

- **Groups:**

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

- **User Education:** [REDACTED]
- **RTC and Remote Presence products:** [REDACTED]

We also should seriously consider establishing ourselves as the industry's world leader on child safety through a large scale investment @\$20-40M) in the development of robust external ecosystem to thwart CSAM and support victims ("Big Safety Investment"), would include initiatives like global child help textline, global case management tool that aggregates all case data for investigations and helps with prioritization, and scaleable automated system for x-industry threat information sharing

Recommendation

Internal readiness to rise to the challenge. Extent to which there is work ongoing to address the 'areas for improvement' and opportunities flagged, suggestions on how we might kick start conversations on this work.

[illegible]

[illegible]

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Age Assurance

Policy Landscape

With increasing frequency safety stakeholders are demanding that we do our utmost to keep U13 users off our platform and that we appropriately account for U18 users in the design of our services. Gaps in this area help fuel online harms legislation and regulation of various kinds, particularly outside the U.S. With a few key product changes and/or regulatory collaboration we can prevent ill-considered legislation (e.g., requiring id age verification at sign up, 18+ requirement for social media,...) and secure the support and confidence of child safety stakeholders, including policymakers parents/caregivers. Priority Countries: countries of jurisdiction (US and Ireland), and countries that are highly vocal and influential in region AU, UK, Brazil, South Africa and India.

Legislative/Regulatory Action

- US: FTC to update COPPA rules (expected in 2020)
- UK: Age Appropriate Design Code (likely implemented in H1 2021 subject to Parliamentary approval), Online Harms Bill
- Ireland: Child Safety and Media Regulation
- Australia: eSafety Commissioner's Safety by Design principles, amendments to the Online Safety Act
- Brazil: Internet Steering Committee ("CGI") focused on ads for minors and use of minors data (e.g. Bill 1746/2015)
- Germany: Federal and Interstate Youth Law (likely to come into effect in H2 2020), UK
- South Africa: Protection of Personal Information Act 4 of 2013 (July 1, 2021)
- Philippines: Safer Internet Bill (parental consent from U18s)
- India: Personal Data Protection Bill, 2019 (requires age verification and parental consent)
- SSA: Data Protection Act and Cyber Crimes act in Kenya, South Africa's POPI act and Zimbabwe's Cyber crimes bill (parental consent and robust age verification)
- Indonesia and Philippines: Draft bills w/r/t age-verification to ensure minors not exposed to "inappropriate/immoral content"
- Colombia/Peru/Paraguay/CENAM: routine bills on mandating blocking content for kids (videogames, social media, educational, etc)

Immediate Product Vulnerabilities

- [illegible]

Areas of Improvement

- [illegible]

Recommendation

Internal readiness to rise to the challenge

Internal readiness to rise to the challenge. Extent to which there is work ongoing to address the 'areas for improvement' and opportunities flagged, suggestions on how we might kick start conversations on this work.

In March it was decided that we would not build a classifier to detect minors under 13 years old. Instead, we would push industry partners for device/OS level age verification and management solutions. Since then, Central Privacy has stood up a small team on youth privacy but a PM is yet to be hired. They have offered to prioritize a few low business cost/high policy impact projects for H2. Identity Integrity has also identified a PM who would own age verification but they will not prioritize this work until we have clear legal obligations to do so. We need leadership support to push product to act on knowledge we already have, i.e. clear our backlogs, disable verified u13s, build an u18 checkpoint to review minors who have been reported on 18+ products like FB Dating. Against this backdrop, our enforcement is not consistent across all apps for a single known person. In addition, age models perform inconsistently across different markets. We recommend that Policy leadership stack rank and prioritize our most sensitive policy driven markets and make clear to product that we should operationalize those markets first. We also need leadership to support the basic principle that if we're using a signal to predict age for business purposes, it should be used to enforce on age. For example, we need to use age prediction to gate minors from alcohol ads and other high-risk features where we currently rely solely on stated age. Age models also do not work as well on IG because IG only started

to collect age data in December 2019 and we currently only have stated age for ~67% of IG users. We need leadership support to convince IG leadership to collect age for the remaining users for whom we have no stated age. We also would like leadership sign off to conduct an audit of special protections for minors and then bring in a trusted expert/group of experts to review our default settings and protections for minors, identify improvements (e.g. GYSJ and PYMK restrictions), and implement them.

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6	Age data on IG	Age models do not work as well on IG because IG only started to collect age data in December 2019. In addition, Adam Mosseri will not support upselling age collection for existing users because he sees it as intrusive data collection. Thus, we currently only have stated age for ~67% of IG users. We recommend engaging with IG leadership on collecting age for the remaining ~33% and prioritizing age model maturity on IG.				
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SSI

Policy Landscape

While SSI experts support our existing policies and our commitment to ongoing review of our policies, the need to explain the ever increasing rate of death by suicide and concerns about the impact of social media on youth well-being more broadly keep us under heightened scrutiny in this area — most notably in the UK. Specifically, this translates into concern among some policymakers and stakeholders that almost any exposure to this content for minors “normalizes” it and puts them at risk, and these concerns which help fuel online harms legislation to ensure we behave responsibly. Additionally, some policymakers and health policy experts are raising privacy related questions w/r/t our work in this area, creating a tension between those who push for increased scanning and those who want us to take a more privacy sensitive approach. This tension begs for a forward leaning approach involving both sets of stakeholder to come to agreed upon norms.

Legislative/Regulatory Action

- UK: Coroner’s report from inquest into the death by suicide of British teenager Molly Russell due H2 2020 (may be delayed due to COVID-19); Online Harms Act; upcoming UK Samaritans guidance recommending a single PoC, clearer policies to prohibit “normalizing” SSI and no encryption* to ensure can scan for this content in messaging (*experts will split on encryption, some will not want us to use it so we can scan private messages, others will want us only to scan in public spaces and to

- Ireland/IDPC/EU: IDPC has continuing privacy concerns around processing of mental health data when running our SSI classifiers, as a result we are taking a far more limited approach in the EU which means we are susceptible to more press fires
- EU: under the e-privacy directive scheduled to take effect in December 2020, OTT communication services have to get explicit individual opt ins (~GDPR) for the classifiers we run. For example, each user will have to agree to allow us to run photoDNA across their photos. If a user doesn't give that consent and we use PhotoDNA on the images they share, that will be considered unlawful. *Strategically, very interesting as this suggests encrypting messaging aligns with expectations.
- Korea: bullying of celebrities in Korea (K-Pop) driving regulatory initiatives, incl. liability for platforms failing to remove content, or compelling data disclosure to victims in civil claims.
- Japan: Proposed 'defamation' and cyber-bullying' regulation following celebrity cyber bullying case that connected to suicide.

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[REDACTED]

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Well-Being

Policy Landscape

The physical distancing requirements of the COVID-19 pandemic have generated greater awareness of and concern for issues related to mental health and well-being (e.g., anxiety and loneliness), as well as an appreciation among policy makers and the press for the role technology can play in supporting mental health and well-being (e.g., keeping people connected). This shift of focus from how tech may create, increase or exacerbate mental health and well-being issues to how tech can assist in combatting some of them is an opportunity for us, but a failure to execute well could surface an even worse “tech backlash” around mental health and well-being issues negatively associated with technology (e.g., passive time spent, pressure to be perfect, FOMO, etc.) and fuel some ongoing legislative/regulatory efforts.

Legislative/Regulatory Action

- US: FTC to update COPPA rules (expected in 2020)
- UK: Women and Equalities Select Committee Changing the Perfect Picture: an inquiry into body image to study impact of advertising and social media on body image
- Zimbabwe: Cyber Security and Data Protection Bill
- Mexico: Persistent bullying issues in schools spilling over online, President’s son bullied publicly raising questions of censorship on social media.

Immediate Product Vulnerabilities

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Areas of Improvement

There is a need for stronger research around social comparison and loneliness on our platforms. We have an opportunity to launch x-industry Digital Wellness Lab with Center for Media and Child Health at Harvard to seed independent research in this space. We also have an opportunity here to demonstrate our commitment to building a supportive community through efforts such as building group admin support learning units, expanding WA business API for crisis support orgs, CSOM and the connected generations initiative.

- **IG**
 - **Policies:** we need to stress test our policies w/r/t bullying of U18 public figures, given IG public figures are younger and harassment targeting them is gaining more scrutiny

- **Research:** conduct new research around social comparison and loneliness on Instagram to tackle some of the root causes of SSI, bullying, harassment; more foundational mental health research being done in non US/UK markets
- **Facebook:**
 - **Product:** Proactive bullying AI comment filters on FB to get parity w/ IG
 - **Policies:** Refining public figure definitions and developing more protections from harassment for public figures
- **Product:** Need to ensure global mental health efforts are culturally sensitive and align with existing approaches towards mental health; resourcing and prioritizing Purpose Policy Framework for protection of health information
- **Resources:** Expanding mental health resource pages that are easily accessible to users and regionally and age applicable

Recommendation

Internal readiness to rise to the challenge

Extent to which there is work ongoing to address the 'areas for improvement' and opportunities flagged, suggestions on how we might kick start conversations on this work

We're making progress connecting people with resources on the COVID Information Center and with a new mental health resources landing page. We need more product work on issues such as social comparison, bullying of minor public figures. We are expanding CSOM but need more resources on product given the need to demonstrate value of encrypted surfaces for connecting people with safe, private and secure support.

	A	B	C	D	E	F
1	Area	Additional notes				
2	[REDACTED]					
3	Mental health resources aimed at addressing specific challenges experienced during pandemic	Fuller set of tips and resources covering a range of mental health topics and needs appearing on COVID-19 information center				
4	New mental health resources landing page under development	Ongoing: Pilot in subset of countries to ensure cultural risks are mitigated				
5	[REDACTED]					

6	[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]				
7	Bullying / harassment	Minor public figures policy in place but need to stress test				
8	Expanding crisis service over messenger	Expansion with one US partner under way, product resources secured; should explore global expansion tied to concurrent Connected Care health work				
9	Creating loneliness focused product experiences	More important than ever to help connect people during this time; research continuing, goal for product ideas Q4				
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Racial Justice

Also suggest internal audit to ensure that all safety classifiers are globally resilient and operate without bias.

Some detailed product asks:

- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED];

[illegible]

