



OFFICE OF THE ILLINOIS STATE TREASURER  
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**Illinois State Treasurer Frerichs, Rhode Island State Treasurer  
Magaziner, Pennsylvania Treasurer Torsella, and New York City  
Comptroller Stringer Press for Independent Board Chair at Facebook**

Opening a new front at Facebook, Illinois State Treasurer Michael Frerichs, Rhode Island State Treasurer Seth Magaziner, Pennsylvania Treasurer Joe Torsella, and New York City Comptroller Scott Stringer today co-filed a shareholder proposal asking the Facebook board of directors to make the role of Board Chair an independent position. Doing so is best governance practice that will be in the interest of shareholders, employees, users, and our democracy.

The shareholder proposal, lead-filed by Trillium Asset Management in June, focuses on Facebook missing, or mishandling, a number of severe controversies including:

- Russian meddling in U.S. elections,
- Sharing personal data of 87 million users with Cambridge Analytica,
- Data sharing with device manufacturers, including Huawei that is flagged by U.S. Intelligence as a national security threat,
- Proliferating fake news,
- Propagating violence in Myanmar, India, and South Sudan,
- Depression and other mental health issues, including stress and addiction, and

- Allowing advertisers to exclude black, Hispanic, and other “ethnic affinities” from seeing ads.

These filings come on the heels of Facebook’s latest controversy, a data breach affecting 30 million accounts.

**“Facebook’s governance structure continues to put its investors at risk,” said Frerichs. “Now is the time for change. We need to see more accountability of Mark Zuckerberg to the Board of Directors to restore investor confidence and protect shareholder value.”**

The proposal highlights that Google, Microsoft, Apple, Oracle, and Twitter have separate CEO and chairperson roles. More broadly, 59% of the S&P 1500 separated these roles as of April 2018.

**“Facebook’s board of directors was elected by shareholders to protect our interests by providing independent oversight of company management and its CEO,” said Rhode Island General Treasurer Seth Magaziner. “Without an independent board chair, the board’s oversight of the company remains inadequate as evidenced by the recent mishandling of several controversies. Having an independent board chair – separate from the Mr. Zuckerberg’s role as CEO – is in the best long-term interest of Facebook shareholders, including the members of Rhode Island’s pension system.”**

**“Boards of directors should be a check on management teams, not a tool of them, and an independent Chair is essential to achieving that result,” said Torsella. “That’s why I’m joining this effort, so that we can stand up for investors, and against the unchecked corporate power of Mr. Zuckerberg and the threat he currently represents to shareholder value.”**

**“Facebook plays an outsized role in our society and our economy. They have a social and financial responsibility to be transparent – that’s why we’re demanding independence and accountability in the company’s boardroom,” said New York City Comptroller Scott M. Stringer. “We need Facebook’s insular boardroom to make a serious commitment to addressing real risks – reputational, regulatory, and the risk to our democracy – that impact the company, its shareowners, and ultimately the hard-earned pensions of thousands of New York City workers. An independent board chair is essential to moving Facebook forward from this mess, and to reestablish trust with Americans and investors alike.”**

In apologies for the various controversies and damage to society, Mr. Zuckerberg has repeated stated, "We didn't take a broad enough view of our responsibility." This broader view is what an independent Board Chair would provide, which the Treasurers and Comptroller believe would benefit the company, its shareholders, and its global community of users.

**"We are entering a new phase of Facebook's growth," said Jonas Kron, a senior vice president at Trillium. "As we confront the ways in which Facebook's technology has outstripped our ability to understand how it affects society, it is time to put limits on Zuckerberg and make some structural changes. At a time like this, we really need to have independent board leadership that can provide strong guidance and enforce real accountability."**

This proposal comes after years of shareholder engagement. In 2017, according to our calculations, a similar proposal received the support of 51% of the votes cast when excluding the shares of 13 executives and board members.

The proposal will be put to a vote at the company's annual shareholder meeting in May 2019.

#### **About the Illinois Treasurer**

The Illinois Treasurer is the state's chief investment officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secure retirement. As the state's Chief Investment Officer, he actively manages approximately \$28 billion. The portfolio includes \$12 billion in state funds, \$10 billion in college savings plans and \$5.5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns \$28 to the state for every \$1 spent in operations. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

#### **About the Rhode Island Treasurer**

Seth Magaziner is General Treasurer of the State of Rhode Island where he is working to restore financial stability and expand economic opportunity for all Rhode Islanders. Since taking office in January 2015, Seth has used the office to help create jobs, strengthen the state's \$8.4 billion pension fund, and ensure all public servants have the dignity of a stable and secure retirement. Under Treasurer Magaziner's leadership, the Rhode Island Treasury has become a national leader in transparency, launched the Rhode Island Infrastructure Bank, and developed a Back to Basics investment strategy to provide better performance and less risk to the state's pension fund.

**About the Pennsylvania State Treasurer**

The Pennsylvania Treasury is an independent department of state government led by the state treasurer, who is elected every four years. The department's primary duty is to safeguard and manage the state's public funds. It invests state money to generate income on behalf of the citizens of Pennsylvania, reviews and processes payments for state government custodian of more than \$100 billion in state funds. Key Treasury programs include Unclaimed Property, PA 529 College and Career Savings Program, PA ABLE Savings Program and the Board of Finance and Revenue. To learn more visit [patreasury.gov](http://patreasury.gov).

**About the New York City Comptroller**

As Comptroller of the City of New York, Scott M. Stringer is the investment advisor to, and custodian and a trustee of, the New York City Pension Funds (the "NYC Funds") responsible for protecting the retirement security of over 700,000 New Yorkers. The NYC Funds are the fourth largest pension fund system in the country with \$197 billion in assets under management.

**About Trillium Asset Management**

Trillium Asset Management is an employee-owned investment management firm with over \$2.6 billion in assets under management. Trillium integrates Environmental, Social, and Governance (ESG) factors into the investment process as a way to identify the companies best positioned to deliver strong long-term performance. Founded in 1982, Trillium has a long history of managing equity and fixed income portfolios for individuals, foundations, endowments, religious organizations, other non-profits, financial advisors and their clients. A leader in shareholder advocacy and public policy work, Trillium leverages the power of stock ownership to promote social and environmental change while providing both impact and performance to our investors.

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