Dear Privacy International,

Thank you again for your time last month. We appreciate Privacy International taking the time to discuss these important topics with us. Following your letter to Facebook and our subsequent discussion, we would like to share some of the work we are doing around Customer List Custom Audiences and ads transparency more broadly. This work has some inherent limitations, since advertisers are the data controllers; Facebook acts as a data processor.

Sharing consistent information across the platform and providing people on Facebook meaningful controls over their ad experience

Constantly improving transparency for people on Facebook is one of our main objectives. We believe that transparency should be user-centric and that it can be achieved through multiple channels. Beyond our <u>Data Policy</u>, we have put in place a number of tools which provide greater transparency and control to everyone on our platform. We are constantly working to extend the functionality of these tools to help people access and download their data in meaningful ways.

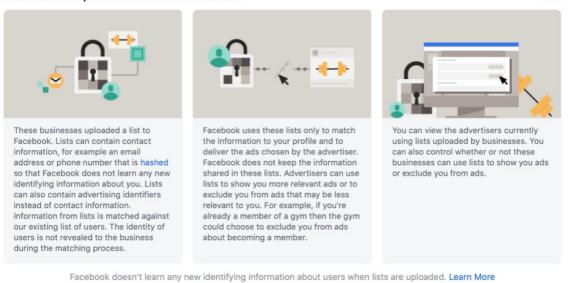
Our <u>Ad Preferences</u> and Download Your Information (DYI) tools play an essential role in ads transparency. Aligned with your recommendation, we have started working to update Download Your Information to reflect information in a manner similar to Ad Preferences, in which people can see the advertisers that have uploaded customer lists and have used them for advertising. Such an update requires the involvement of various teams and requires complex engineering work. Our objective is to help ensure that information is consistent and accurate throughout the platform and that the same information can be accessed via the different tools we have.

Advertisers deciding to use their own customer lists on Facebook are acting as data controllers. As such, they must have provided the relevant information to their own customers regarding their processing purposes and obtained the necessary permissions, where legally required, to target their ads to their customers via Facebook. The advertiser is the one responsible for establishing and maintaining the proper legal basis to advertise to their own customers on Facebook based on the advertiser's customer lists and to provide the right information to the data subject. Facebook is acting here as a means for advertisers to reach out to their customers; it is the advertiser's obligation, as controller, to provide the relevant information to their own customers, as described in Articles 13 or 14 of the General Data Protection Regulation.

Facebook is not in a position to verify the data collection processes that generated the lists of advertisers' customers that they use to send ads on Facebook, nor is Facebook reasonably in a position to verify whether advertisers have maintained the appropriate permissions throughout their use of the data. However, we can help people on Facebook better understand which advertiser, acting as a controller, has uploaded a customer list against which they matched, and how that list was used. To that end, we have developed on our platform a number of tools to provide transparency and controls.

We provide education to people on Facebook via Ad Preferences on how advertisers upload and use customer lists on Facebook; this includes hashing data for matching purposes.

How Businesses Upload and Use Lists on Facebook

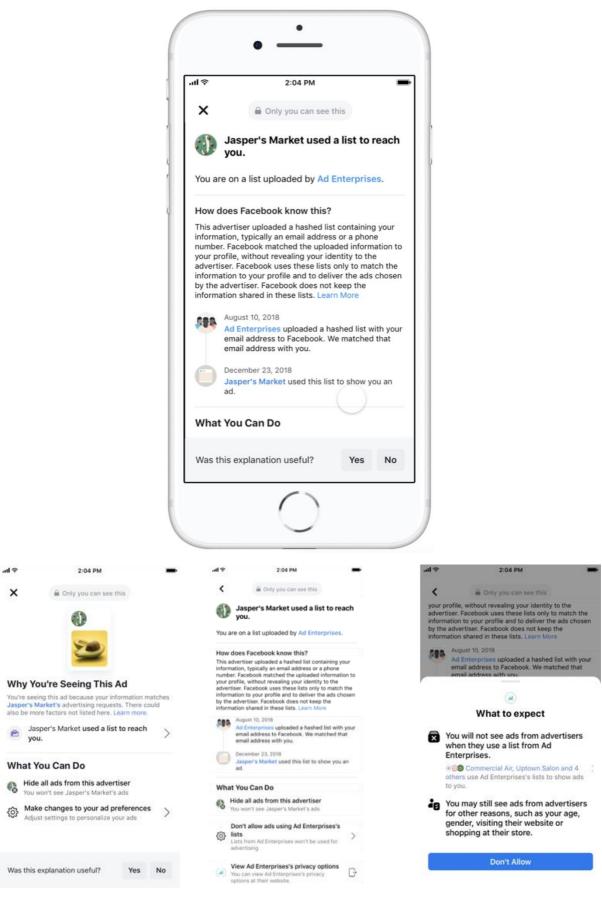


Close ^

(Fig: 1)

We surface information about when a customer list was first uploaded to Facebook and when it was used to deliver an ad. This information is available via our tool <u>"Why</u> <u>am I seeing this ad?"</u> (WAIST) which is accessible on every ad displayed on a user's News Feed.

WAIST also enables people on Facebook to see whether the match key used for the customer list is an email address or phone number used on Facebook; these keys represent the majority of match keys used for Customer List Custom Audiences.



(Fig: 2 & 3)

As you rightly mentioned, we have introduced a number of controls in Ad Preferences in the "View control" section under each advertiser who uploaded a customer list. In this control, people have the possibility (1) to see whether the advertiser is using a customer list to show ads to the user as the advertiser's customer, (2) to see whether the advertiser is using a customer list to exclude the user from ads, and (3) to see contact details to reach out to the advertiser via the Facebook Page and, in some cases, via a link to the advertiser's website. We are open to finding additional ways to surface meaningful contact information in the future to help people connect directly with advertisers.

We believe that these controls facilitate the exercise of data subjects rights with advertisers that are acting as a data controller. We also understand that Facebook may play a role to facilitate that controllers uploading customer lists on Facebook are reminded of their own obligations to address data subjects' rights requests. This is why we have on our help center a page focused on creating <u>customer lists</u> which specifies that advertisers need to "review our <u>terms</u> to ensure [they] have a legal basis to use the information [they] plan to upload. Under the General Data Protection Regulation (GDPR), advertisers act as the data controller for any lists uploaded to create a Custom Audience. (This includes people residing in the European Union)." Moreover, our <u>GDPR microsite</u> provides information to businesses that advertise with the Facebook companies, including information regarding when Facebook acts as a controller or as a processor.

Additionally and particularly important in this context, people can <u>hide</u> all future ads from an advertiser when they see an ad in their News Feed, and this effective and easy-to-use control also works when an advertiser uses a customer list.

Advertisers that have entered into established sharing agreements on Facebook are able to share Customer List Custom Audiences under certain conditions. Indeed, these advertisers must agree to our <u>Custom Audiences Terms</u> prior to sharing, and relevant information about the relationship between the businesses involved with sharing the customer list is laid out clearly for people to see within "Why am I seeing this ad?" (see Fig: 2 above) and Ad Preferences.

One of the key objectives we have is, with the inherent limitations of a data processor role, to make sure that the information that is provided to people on the platform is meaningful and that they are not overwhelmed with information that would not materially improve their understanding of how their data is collected and used. We feel that the proactive and simple transparency we surface actually improves the overall transparency for people in respect of how their data is processed, and by which companies. Of course, this transparency also allows them to, if they wish, submit a request to those companies, as data controller, for additional information.

Ads about social issues, elections or politics

A key step in protecting elections is ensuring that advertising is transparent. Right now, all active ads on Facebook are available in the Ad Library. With elections happening all over the world, we are committed to bringing authorization and disclaimer enforcement to more places around the world, starting in countries with imminent elections or evolving regulatory frameworks

We already require that advertisers get authorized and add disclaimers to political ads in over 95 countries and territories, and we remain committed to introducing more enforcement mechanisms in more places globally.

When developing our policies, we consider a number of factors including the risk of foreign interference, election schedules, existing or proposed legislation, and public discourse around social issues -- on and off Facebook -- that seeks to influence public opinion.

With regard to social issues, there aren't laws or agencies in most countries that govern digital ads about specific social issue topics. In the absence of laws or legislation that clearly define social issues in the context of digital ads, it is not straightforward to enforce on social issues. To successfully enforce a policy, our reviewers need guidelines that explain the bounds of the policy and the types of ads that are in scope. In the countries where we proactively detect and reactively review ads about social issues, the topics Facebook identified were informed by discussion with regional policy stakeholders, trusted third party advisors, and in some cases, election regulators or other relevant local government bodies.

We are looking forward to continuing the discussion with Privacy International are available if you wish to discuss in the context of the follow-up to your research mentionned in your last email.

Best regards,