

INVESTOR STATEMENT IN SUPPORT OF DIGITAL RIGHTS REGULATIONS

Companies need to respect human rights throughout their operations and value chains as outlined in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Investors are concerned with the weak governance and the lack of transparency and accountability affecting people's rights to privacy and freedom of expression, including a lack of users' control over their own information and how it is used online (hereinafter referred to as "digital rights"), in the information and communications technology (ICT) sector. Governments have a duty to protect through effective regulatory measures, particularly where voluntary corporate measures continue to leave significant gaps in digital rights protections.

The undersigned **XX** investors, representing US\$**XX** in assets under management and advisement support the need for rights-respecting internet regulation to respect the digital rights of users. Investors recognize the positive steps that the European Union is taking through new regulation of digital services, including the [Digital Services Act](#) (DSA), aimed at creating a safer digital space where the fundamental rights of users are protected and to establish a level playing field for business. In order for investors to be able to make rights-respecting investment decisions in the ICT sector, they need to be able to rely on proposed regulation like the DSA that enables responsible and rights respecting business activities, products, and services that empower users, communities, and society at large rather than divide and discriminate against them.

Protecting privacy rights and addressing harms of surveillance-based advertising

In the past years, many ICT companies, specifically digital platform companies, have built their business model on surveillance-based online advertising enabled by algorithmic systems, with advertising revenues accounting for the majority of such ICT companies' profits. Those systems use pervasive online tracking and behavioural profiling as the basis for targeting advertising and have created a global system of commercial surveillance that does not add value to users, societies, or the larger economy.

This system violates privacy by processing large amounts of user data, often without explicit consent. It enables the spreading of misinformation and fuelling of hate that is micro-targeted based on people's most intimate data such as religious convictions, sexual preferences, health data, or even psychological profiles. This system harms human rights globally by leaking large amounts of personal data, exacerbating socioeconomic inequalities, enabling micro-targeted manipulation and even foreign interference with our democratic elections.

Therefore in support of proposals of the [European Data Protection Supervisor](#) and the [European Data Protection Board](#), and many experts around the world, we call on the European Union to develop regulation including in the DSA that would:

- prevent companies from tracking and profiling users for the purpose of targeting them with online adverts; and

- create a market environment that enables the provision of [rights-respecting and trackingless ad targeting](#) such as contextual advertising where ads are placed based on keywords, the topic or the content of a webpage, instead of the browsing behaviour or personal data of users.

Protecting Freedom of Expression

Digital regulations that force ICT companies to remove potentially unlawful online content within extremely short timeframes on pain of penalties may adversely impact freedom of speech online – resulting in overly risk-averse content management and hasty and unnecessary censorship. Such regulation would also result in ICT companies being empowered to determine what can or cannot be said, and may result in the silencing of journalists, dissident opinions, and vulnerable communities.

Proposed digital regulations must respect the right to free speech and not impose obligations that lead to the removal of people’s legal online speech as a result of ICT companies trying to avoid the risk of legal liability. We call on the European Union to develop digital regulations including the DSA that are in line with the recommendations of the [U.N. Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression](#). Such regulations should refrain from imposing fixed removal timeframes, and instead require ICT companies to:

- moderate and curate their users’ content in a fair, consistent, and transparent manner; and
- provide a means for redress for adversely impacted users or people.

Rights-respecting regulation that protects the digital rights of users is good for business and investors, the economy and the people it serves. By passing the DSA that sets incentives for ICT businesses to respect human rights, the European Union has the opportunity to be a global leader for the regulation of online platforms.