

2018 CORPORATE ACCOUNTABILITY INDEX

The Ranking Digital Rights 2018 Corporate Accountability Index evaluates 22 of the world's most powerful internet, mobile, and telecommunications companies on their disclosed commitments and policies affecting freedom of expression and privacy.

RANKINGDIGITALRIGHTS.ORG/INDEX2018

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9.0 Questions for investors

The Ranking Digital Rights Corporate Accountability Index data and methodology offer a useful framework for investors to evaluate whether companies have made best efforts to mitigate risks to their business by working to anticipate and reduce potential harms to those who use their technologies, platforms, and services. Such risks are not limited to traditional "cybersecurity" threats related to hacking and data breaches. Shareholder value is also put at risk when companies fail to identify and mitigate broader risks to user privacy across their business operations, or fail to anticipate and address content-related issues spanning from hate speech and disinformation to government censorship and network shutdowns.[107]

The following ten questions can help investors evaluate whether companies are making adequate efforts to respect users' rights, thereby mitigating individual harms and broader business risks. These questions are also a useful starting point for investor engagement with companies, particularly when combined with key findings and recommendations from the individual company report cards.

- 1. Risk assessment: Has the company management identified digital rights risks that are material to its business and does the company carry out impact assessments on the full range of these risks? Does it disclose any information about whether and how the results of assessments are used?
- 2. **Oversight:** Does the board exercise direct oversight over risks related to user security, privacy, and freedom of expression? Does board membership include people with expertise and experience on issues related to digital rights?
- 3. **Stakeholder engagement and accountability:** Is the company a member of the Global Network Initiative (GNI) and if not, why not?
- 4. **Transparency about data collection and use:** Does the company disclose clear information about its policies and practices regarding collection, use, sharing, and retention of information that could be used to identify, profile or track its users?
- 5. Transparency about handling of government demands and other third party requests affecting users' expression and privacy rights: Does the company disclose policies for how it handles all types of third-party requests (by authorities or any other parties) to share user data,

- restrict content, restrict access, or shut down service (including network shutdowns by telecommunications companies)?
- 6. **Transparency reporting:** Does the company publish data about the volume and nature of the requests it receives, and responds to, for: sharing user data, restricting content or accounts, shutting down networks? Does it also publish data about the volume and nature of content and accounts restricted in the course of enforcing its own terms of service?
- 7. **Evidence of strong policies for addressing security vulnerabilities:** Does the company disclose clear information about policies for addressing security vulnerabilities, including the company's practices for relaying security updates to mobile phones?
- 8. **Encryption:** Does the company commit to implementing the highest encryption standards available for the particular product or service? If not, why not?
- 9. **Mobile security:** Do companies that operate mobile ecosystems disclose clear policies about privacy and security requirements for third-party apps?
- 10. Telecommunications transparency about network management: Do telecommunications companies disclose whether they prioritize, block, or delay applications, protocols, or content for reasons beyond assuring quality of service and reliability of the network? If yes, do they disclose the purpose for doing so?

10 Company Report Cards

The 2018 Index ranks 22 internet, mobile, and telecommunications companies on their disclosed commitments and policies affecting users' freedom of expression and privacy. For an analysis of each company's performance in the Index, read each company's individual report card in the COMPANIES section of the website.

América Móvil, S.A.B. de C.V.

Services evaluated

- iMessage [Link]
- iCloud [Link]
- iOS [Link]



Key findings

- América Móvil failed to disclose sufficient information about its policies and practices affecting users' freedom of expression and privacy.
- The company lacked disclosure about how it responds to government requests to shut down networks.
- The company did not clearly disclose how it handles government or private requests to restrict content or hand over user information.

Key Recommendations

- Be transparent about policies affecting users' freedom of expression. The company should be more transparent about how it responds to government requests to block content, restrict user accounts, and shut down networks.
- Be transparent about external requests. The company should disclose data about the number of government and private requests it receives to remove content and accounts and to hand over user information.
- Disclose more about security practices. The company should clearly communicate its handling of data breaches to users.

América Móvil, S.A.B. de C.V. provides telecommunications services to Mexico and 35 countries in the Americas and Europe. It offers mobile and fixed-voice and data services for retail and business customers and is one of the largest operators globally.

Industry: Diversified Telecommunication Services

Market cap: USD 63.4 billion

Stock symbol: AMX \bot

Analysis 21%

companies evaluated, disclosing little about policies and practices affecting freedom of expression and privacy. The company slightly improved its disclosure of policies affecting users' freedom of expression in the 2018 Index. Although Freedom House rates Mexico's internet environment as Partly Free, the country's legal environment does not prevent the company from meeting basic benchmarks for transparency in key areas. For instance, the company did not disclose its process for responding to government or private requests to block content or accounts, although no laws in Mexico prevent companies from doing so. In addition, although companies are required to report to the telecommunications authority the number of government requests received for real-time location tracking or access to user metadata, América Móvil did not publish this data.

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Governance 21%

América Móvil scored below most of its peers in the Governance category, but ahead of Bharti Airtel, Etisalat, Axiata, and Ooredoo. The company continued to lack clear disclosure of its commitments to human rights at the governance level, including whether it conducts human rights impact assessments [G4] or if it engages with a range of stakeholders on freedom of expression and privacy issues [G5]. However, it disclosed more than most of its peers about remedy mechanisms addressing freedom of expression and privacy related complaints [G6]. In Mexico companies are legally required to provide users with a complaint mechanism.

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Freedom of expression 17%

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América Móvil ranked fifth out of the 10 telecommunications companies evaluated in the Privacy category, ranking behind AT&T, Orange, and several other companies.

Handling of user information: Telcel disclosed less about how it handles user information than AT&T, Vodafone UK, and Telefónica Spain, but more than most other telecommunications companies evaluated (P3-P8). It disclosed little about what types of user information it collects (P3), shares (P4), and its reasons for doing so (P5). Like most of its peers, Telcel disclosed nothing about how long it retains user information (P6), although no law prohibits the company from doing so. It disclosed little about options users have to control what information is collected, including for targeted advertising (P7).

Requests for user information: Like most telecommunications companies, América Móvil provided almost no information about how it handles government and private requests for user information (P10), and failed to disclose whether it informs users when their information is requested (P12). The company did not publish any data about such requests (P11), despite being required by law to report the number of government requests for real-time location tracking or user metadata to the country's telecommunications authority.

Security: Telcel did not provide as much information about its security policies as Vodafone UK, AT&T, and Telefónica Spain, but was on par with Airtel India and Orange France [P13-P18]. Telcel failed to disclose any information about how it addresses security vulnerabilities, including if it offers a bug bounty program for security researchers to submit vulnerabilities [P14]. Like most companies in the Index, Telcel disclosed nothing about its policies for addressing data breaches [P15]. Companies in Mexico are legally required to notify users only if the data breach "significantly affects" their rights, however the company does not disclose this information to users.

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Notes

[107] Ben Eisen, "Facebook Stock Decline Knocks It Out of S&P 500 s Big Five," WSJ, March 19, 2018, https://blogs.wsj.com/moneybeat/2018/03/19/facebook-stock-decline-knocks-it-out-of-sp-500s-big-five/.

- ^[4] "Guiding Principles on Business and Human Rights" (United Nations, 2011), GuidingPrinciplesBusinessHR_EN.
- [5] "Principles," Global Network Initiative, accessed February 27, 2017, https://globalnetworkinitiative.org/principles/index.php.
- [6] "Implementation Guidelines," Global Network Initiative, accessed February 28, 2017,

http://globalnetworkinitiative.org/implementationguidelines/index.php.

[7] "RDR Launches 2017 Corporate Accountability Index Research Cycle," Ranking Digital Rights, September 15, 2016, https://rankingdigitalrights.org/2016/09/15/rdr-launches-2017-research/.

[8] "2018 Companies," Ranking Digital Rights, https://rankingdigitalrights.org/2018-companies/.