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Executive Summary

This is a period of rapid development of the Internet. According to the paper prepared for the “Foreign Commonwealth Office International Cyber Conference”, it indicated the increasing popularity of the Internet has witnessed the improvement of the national economy. In the past 5 years, the Internet has accounted for 21% of Gross Domestic Product (GDP) growth in mature economies (Manyika & Roxburgh, 2011). Ibrahima (2018) pointed out social networks have completely changed the way people communicate, work and live. and corporation social responsibility is also constantly developing to adapt to the social environment. The various development concepts of corporation social responsibility are generated in this era background, and analyze the definition of corporation social responsibility and the characteristics of the social media. At the same time, it briefly discusses some opportunities brought by the social media to the completion of corporate social responsibility practice activities, and this report will also analyse the business ethics problem faced by social media company Facebook, and the impact of these issues on society, and put forward some suggestions at the end of the report.

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1.0 Introduction

In recent years, the rapid development of social media represented by Twitter, Instagram, Youtube and Facebook has not only changes the way information spreads but also increases the timeliness of information dissemination(Sandoval, 2014). However, social media companies are also facing risks, there are many problems in the process of fulfilling social responsibility, such as false news, deviation of public opinion guidance, privacy leaks etc., which triggers the reflection of society about the responsibility of social media companies.

After long-term debate and development, the corporate social responsibility has received widespread attention from the society and established its important position in corporate business activities. Many social media companies recognize the importance of social responsibility, they not only pay attention to corporate social responsibility as a business concept and culture, but also regard the fulfillment of corporate social responsibility as a way to obtain competitive advantage and build a good relationship between the company and stakeholders. For example, the UK's biggest internet service providers(ISPs) have adopted a system in order to block some harmful websites as the default setting for all new users(Jackson,2020). In Japan, more than 90% of online mobile games have set daily limit on how much times kids can spend playing video games and it also set consumption limits for minors (Orland, 2012).

1.1 The structure of this report

This report will conduct a study on corporate social responsibility of social media companies, there is a case about Facebook company, in order to analyse the privacy protection problems

faced by social media company, as well as the impact of these problems on society. Social media companies' concern about network users' privacy is a manifestation of corporate social responsibility, thus, social media companies should create a safer and healthier network environment.

2.0 Research Method

2.1 Secondary research method

This report uses secondary research method, it refers to reading books, periodicals, the website and other ways to find relevant materials and sort out useful information. Many scholars have done a lot of research on corporate social responsibility of social media companies. Scholars Zhang and Swanson (2006) believe that assuming social responsibility is a positive social behaviour of enterprises. According to Chaudhri (2007), the social media has the formation of social relations, political, economic and legal structure The ability to reflect the relationship between the enterprise and society. Both USCCF and IBM (2017) believe that a social media company's corporate social responsibility in its community can have a strong impact on shaping people's perception of the company and it can affect a company's brand reputation. Brand reputation is one of the main reasons why social media companies participate in systematic corporate social responsibility, in order to show the public that the social media company cares about online users and their communities.

2.2 Case study method

Case study is a strategy for doing research which involves an empirical investigation of a

particular contemporary phenomenon within its real life context using multiple source of evidence” (Robson, 2002) This report selects the case study of business ethics in Facebook in order to analyses the importance of corporate social responsibility to social media, and establish their responsibilities.

3.0 Key findings and discussion

3.1 The basic concept of corporate social responsibility

The Corporate Social Responsibility (CSR) was first proposed in 1924 by a British academic Oliver Sheldon. This means that while pursuing profits and assuming legal responsibility to shareholders, companies also have to make contributions to employees, consumers, communities, and the environment (Carroll, 1999). By taking social responsibility, companies can earn a reputation, and they can also be better reflect their own cultural orientation and values, and maintain long-term sustainable development for enterprises. From a social point of view, corporate social responsibility can deal with the negative effects of social change or reduce the cost of reforms that must be paid due to social change factors, and help promote social progress. Socially responsible companies will assume moral obligations and focus on sustainable development goals to shape good community relations and corporate image (McWilliams, 2006). According to Campbell (2007), socially responsible enterprises are generally regarded as low-risk and transparency is higher, so holding the company's stock will bring higher benefits.

According to the report from Pratap(2019), Facebook's main areas of importance in corporate social responsibility are technology, education, and social justice. Facebook founder Mark

Zuckerberg and his wife Priscilla Chan established the “Chan Zuckerberg Initiative” in 2015, which is the main platform for Facebook founders to invest in philanthropic activities. They pledged to donate 99% of Facebook shares for R & D and education. Priscilla Chan said that the use of technology can bring higher social equality. At the same time, Facebook has also invested a lot of money in sustainable development, including climate change, renewable energy and other aspects. While fulfilling its corporate social responsibility, Facebook is also providing technical resources to solve environmental challenges. These practices help Facebook better manage the organization's impact on the environment and obtain a good social image (Hiltzik,2019).

3.2 The CSR pyramid in social media company

Carroll summarized corporate social responsibility into four categories in 1979, namely economic responsibility, legal responsibility, ethical responsibility and conscious responsibility, which laid the foundation for the development of corporate social responsibilities.

Economic responsibility refers to the profitability of enterprises, the pursuit of profit maximization and the protection of shareholders' interests. This is the lowest level of social responsibility and the basis for achieving other higher levels of social responsibility(Aupperle et.al. 1985). According to the Los Angeles Times (2019), Facebook's stock has always brought considerable returns to shareholders, which has minimized their distress. The stock has risen by about 33% in 2009. This shows that Facebook has successfully fulfilled its economic responsibility to shareholders.

Legal responsibility means that the enterprise must operate in accordance with the law, and all activities must comply with the relevant provisions of the law (Carroll, 1991). Facebook company has failed to meet its legal obligations. In 2019, the Federal Trade Commission has fined Facebook \$5 billion for allegedly sharing users' personal information with other organizations and misusing data to compromise users' privacy.

Carroll (1991) indicates that ethical responsibility means that all activities of the company must conform to the basic ethics of society and cannot do things that violate social morality. Facebook cares about employees' physical and mental health and work environment. Facebook has a professional psychological counseling team to help employees deal with work stress, and strives to maximize the use of natural light in their offices, and provides local organic food in their kitchens to help employees work in a comfortable environment (Dudovskiy, 2017).

Conscious responsibility is the highest level of corporate social responsibility to make due contributions to the progress of society and the improvement of human living standards (Carroll, 1999). Facebook provides a lot of financial assistance and contributions to the environment and sustainable development, and supports the "Paris Agreement". From 2017 to 2018, the company reduced its greenhouse gas emissions by 44% (Pratap, 2019).

3.3 The Stakeholder theory on social media company

Wood & Jones (1995) believes that the stakeholder theory can be regarded as an evaluation the theoretical framework of most closely related corporate social responsibility.

Stakeholder theory was born around the 1960s. The theory emphasizes the social nature of the

company and highlights the mutual relationship between the company and various stakeholders in the process of sustainable development, that is, not only to protect the rights of shareholders, creditors, etc (Lu,2012). In addition, the interests of other stakeholders such as the government, the environment, and the community should also be protected (Freeman, 1984). Facebook has almost 3 billions of users every month (Clement,2020). These users or members of social networks are important to corporate social responsibility. They are a group of stakeholders because they determine the attractiveness of the company's display advertising services (Kissnger, 2018). If social networking platforms With more users, advertisers may pay for such services. As stakeholders, users are very interested in the convenience of the company's products as well as the privacy of personal information and data security. And Facebook is facing moral criticism when dealing with this stakeholder group due to issues such as data privacy leakage with Cambridge Analytica.

3.4Threats brought by social media companies for corporate social responsibility

In the context of increasing commercialization and marketization, Social media has a consumerist tendency of blindly pursuing audience taste and catering to audience psychology (Yu,2017), This has led to a large number of misleading information on social media, spam messages and other illegal phenomena. In addition, due to the competition for the interests of major merchants, there has been a problem of infringing personal privacy and leaking personal information during the development of the market economy. The speed of law update cannot keep up with the development of online abuses, and it is impossible to handle similar contradictions and disputes correctly and in a timely manner to protect the legitimate rights

and interests of young people. According to the FTC investigation, Facebook acknowledges access to users' personal data like tech companies like Yahoo and YouTube, and has been widely criticized for failing to stop hate speech and false information from spreading on its platform (DW News,2019).

4.0 Discussion

In recent years, Internet violations of user privacy have occurred frequently, and online users' privacy has become the focus of government supervision in various countries.

With the increasing scale of Internet platform users, social media has become an important platform for interaction between organizations and individuals (Tekin, 2017) . Social media companies have brought many new problems and challenges to society while changing the world, such as Facebook lack of awareness of users' privacy protection(Nyoni,2015). Therefore, in addition to abiding by laws and regulations, enterprises should take the initiative to maintain online users's privacy and fulfill social responsibilities.

4.1 The background of Facebook

Facebook is a social media company founded by Mark Zuckerberg in 2004, this is a leading global social networking site, but also the most popular social network, it currently has more than 2 billion members (Mark,2018). Initially, Facebook's website registration was limited to students at Harvard College, but with the subsequent development, the number of Facebook users increased, and the company became the number one photo sharing site in the United States.

4.2 The ethical issues on Facebook

4.2.1 Online users' privacy issues

According to Vox News (2019), Facebook and its users have reached a settlement agreement with a compensation of US \$ 5 billion. The agreement is being requested by the court. The reason for the user's request for compensation is that social media giant Facebook illegally collected biometric data through a photo tagging tool(Stewart,2019). This is not the first time Facebook has been sued for user privacy and security issues. Facebook's stock price fell sharply in 2018 due to data leakage(Reichardt,2018).

Facebook 's founder Zuckerberg 's apology in the US Congress 's inquiry was not enough to restore Facebook 's credibility. Compared with the shrinking market value, its reputation loss has a more profound impact. This has also sounded the alarm for other online companies and revealed the importance of taking the initiative to take social responsibility. From a global perspective, incidents of network platform failures that have resulted in the violation of user rights have occurred frequently in recent years from extremists using social platforms for terrorist activities and spreading hatred Incidents such as information are increasingly attracting attention. The Internet has some unique attributes: it is not only a technical tool, but also an information platform. The social network platform is expanding at an alarming rate, and the market size is huge. Users bring both opportunities and challenges (Hall,2019). If the user's privacy is not well protected, it will cause users' distrust of the platform and will ultimately seriously damage the reputation of the platform. As the relevant experts said, network enterprises take the initiative to assume social responsibilities and handle the

relationship between their immediate interests and long-term interests, which meets the internal needs of enterprise development (Pavliček,2015).

In response to the Facebook incident, Monty (2019) an academic at the Imperial College of Science and Technology, said that this is a typical case where privacy has been violated on a large scale, and it will not be the last case. He believes that protecting user privacy in a network is a social responsibility. To prevent users' data from being leaked, a strict legislation and enforcement are essential. Because most companies conceal basic information about the measures they take to prevent users' data from being leaked or stolen, which prevents users from understanding the risks they may face when using specific platforms or services.

According to the figure 1 "Corporate Social Responsibility Index 2018" released by the Ranking Digital Rights, the company has evaluated three main indicators: governance, freedom of expression and privacy. The results found that the world 's largest Internet, mobile and telecommunications companies failed to disclose key policies and practices that affect users 'freedom of speech and privacy. In addition to Facebook, Google, Twitter, Apple, Samsung, Vodafone and other companies have not disclosed how to share user information for targeted advertising. This opacity makes digital platforms and services more susceptible to abuse and manipulation, thereby carrying out a series of attempts to attack individuals, institutions and communities.

2018 Company ranking

How do the companies compare?

● INTERNET AND MOBILE ECOSYSTEM COMPANIES



Figure 1 : Corporate Social Responsibility Index 2018

5.0 Conclusion

This report takes the corporate social responsibility of social media enterprises as the main research object, analyses the concepts of corporate social responsibility by using secondary research methods, and the analysis of users' privacy leakage on Facebook shows that social media enterprises have a weak sense of social responsibility and lack of targeted supervision from relevant departments. As a gathering place of netizens, social media plays an irreplaceable role in the Internet. The study on corporate social responsibility of social media enterprises operating network communities is conducive to accelerating the solution of problems such as sexual exploitation, fraud and other problems on the Internet. It plays an important role in the network environment for social media enterprises to consciously fulfill their social responsibilities, which is conducive to promoting the construction of a harmonious network culture and establishing a harmonious spiritual civilization world.

6.0 Recommendations

The improvement of the information security system for mobile social media like Facebook cannot be achieved without government departments issuing corresponding laws and regulations to restrict and regulate. In response to the current problems of mobile social media, in terms of responsibilities and obligations, national laws and regulations should make relevant requirements for the technical development of service providers, and resolve the contradiction between the current immature technology and user privacy protection, such as requiring service providers to explain to users The scope of information and the utilization of information require service providers to bear legal responsibility for privacy disclosure. National laws and regulations should limit the behavior of service providers, such as the scope of collecting user information and the method of using user information. Government departments should focus on training professionals in mobile cyberspace security to ensure the privacy of mobile social media information.

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