



SUSTAINABILITY ACCOUNTING STANDARD
SERVICES SECTOR

ADVERTISING & MARKETING

Sustainability Accounting Standard

Sustainable Industry Classification System™ (SICS™) #SV0301
Prepared by the
Sustainability Accounting Standards Board®

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Provisional Standard

ADVERTISING & MARKETING

Sustainability Accounting Standard

About SASB

The Sustainability Accounting Standards Board (SASB) provides sustainability accounting standards for use by publicly listed corporations in the U.S. in disclosing material sustainability information for the benefit of investors and the public. SASB standards are designed for disclosure in mandatory filings to the Securities and Exchange Commission (SEC), such as the Form 10-K and 20-F. SASB is an independent 501(c)3 non-profit organization. Through 2016, SASB is developing standards for more than 80 industries in 10 sectors.

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INTRODUCTION

Purpose & Structure

This document contains the SASB Sustainability Accounting Standard (SASB Standard) for Advertising & Marketing.

SASB Standards are comprised of **(1) disclosure guidance and (2) accounting standards on sustainability topics** for use by U.S. and foreign public companies in their annual filings (Form 10-K or 20-F) with the U.S. Securities and Exchange Commission (SEC). To the extent relevant, SASB Standards may also be applicable to other periodic mandatory filings with the SEC, such as the Form 10-Q, Form S-1, and Form 8-K.

SASB's disclosure guidance identifies sustainability topics at an industry level, which may be material—depending on a company's specific operating context—to a company within that industry.

Each company is ultimately responsible for determining which information is material and is therefore required to be included in its Form 10-K or 20-F and other periodic SEC filings.

SASB's accounting standards provide companies with standardized accounting metrics to account for performance on industry-level sustainability topics. When making disclosure on sustainability topics, companies adopting SASB's accounting standards will help to ensure that disclosure is standardized and therefore useful, relevant, comparable, and auditable.

Industry Description

The Advertising & Marketing industry is comprised of companies that create advertising campaigns for use in media, display, or direct mail advertising and related services including market research. Advertising & Marketing companies are engaged primarily by businesses selling consumer products, entertainment, financial services, technology products, and telecommunication services. Larger advertising companies are structured as holding companies, owning multiple agencies across the globe that provide a wide range of services such as custom publishing, brand consultancy, mobile and online marketing, and public relations. For any ad campaign, the same company may be engaged in all aspects, from graphic arts and content creation to data analytics, marketing research, and media planning and buying, or the company may be in charge only of certain aspects.

Guidance for Disclosure of Material Sustainability Topics in SEC Filings

1 . Industry-Level Sustainability Disclosure Topics

For the Advertising & Marketing industry, SASB has identified the following sustainability disclosure topics:

- Advertising Integrity
- Data Privacy
- Workforce Diversity & Inclusion

2 . Company-Level Determination and Disclosure of Material Sustainability Topics

Sustainability disclosures are governed by the same laws and regulations that govern disclosures by securities issuers generally. According to the U.S. Supreme Court, a fact is material if, in the event such fact is omitted from a particular disclosure, there is “a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of the information made available.”^{1,2}

SASB has attempted to identify those sustainability topics that it believes may be material for all companies within each SICS industry. SASB recognizes, however, that each company is ultimately responsible for determining what is material to it.

Regulation S-K, which sets forth certain disclosure requirements associated with Form 10-K and other SEC filings, requires companies, among other things, to describe in the Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) section of Form 10-K “any known trends or uncertainties that have had or that the registrant reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. If the registrant knows of events that will cause a material change in the relationship between costs and revenues (such as known future increases in costs of labor or materials or price increases or inventory adjustments), the change in the relationship shall be disclosed.”²

Furthermore, Instructions to Item 303 state that the MD&A “shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition.”²

In determining whether a trend or uncertainty should be disclosed, the SEC has stated that management should use a two-part assessment based on probability and magnitude:

- First, a company is not required to make disclosure about a known trend or uncertainty if its management determines that such trend or uncertainty is not reasonably likely to occur.
- Second, if a company’s management cannot make a reasonable determination of the likelihood of an event or uncertainty, then disclosure is required unless management determines that a material effect on the registrant’s financial condition or results of operation is not reasonably likely to occur.

¹ TSC Industries v. Northway, Inc., 426 U.S. 438 (1976).

² C.F.R. 229.303(item 303)(a)(3)(ii).

3 . Sustainability Accounting Standard Disclosures in Form 10-K

a . Management's Discussion and Analysis

Companies should consider making disclosure on sustainability topics as a complete set in the MD&A, in a sub-section titled **"Sustainability Accounting Standards Disclosures."**³

b . Other Relevant Sections of Form 10-K

In addition to the MD&A section, companies should consider disclosing sustainability information in other sections of Form 10-K, as relevant, including:

- **Description of business**—Item 101 of Regulation S-K requires a company to provide a description of its business and its subsidiaries. Item 101(c)(1)(xii) expressly requires disclosure regarding certain costs of complying with environmental laws:

Appropriate disclosure also shall be made as to the material effects that compliance with Federal, State and local provisions which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, may have upon the capital expenditures, earnings and competitive position of the registrant and its subsidiaries.

- **Legal proceedings**—Item 103 of Regulation S-K requires companies to describe briefly any material pending or contemplated legal proceedings. Instructions to Item 103 provide specific disclosure requirements for administrative or judicial proceedings arising from laws and regulations that target discharge of materials into the environment or that are primarily for the purpose of protecting the environment.
- **Risk factors**—Item 503(c) of Regulation S-K requires filing companies to provide a discussion of the most significant factors that make an investment in the registrant speculative or risky, clearly stating the risk and specifying how a particular risk affects the particular filing company.

c . Rule 12b-20

Securities Act Rule 408 and Exchange Act Rule 12b-20 require a registrant to disclose, in addition to the information expressly required by law or regulation, "such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading."

More detailed guidance on disclosure of material sustainability topics can be found in the **SASB Conceptual Framework**, available for download via <http://www.sasb.org/approach/conceptual-framework/>.

³ SEC [Release Nos. 33-8056; 34-45321; FR-61] [Commission Statement about Management's Discussion and Analysis of Financial Condition and Results of Operations](#): "We also want to remind registrants that disclosure must be both useful and understandable. That is, management should provide the most relevant information and provide it using language and formats that investors can be expected to understand. Registrants should be aware also that investors will often find information relating to a particular matter more meaningful if it is disclosed in a single location, rather than presented in a fragmented manner throughout the filing."

Guidance on Accounting of Material Sustainability Topics

For sustainability disclosure topics in the Advertising & Marketing industry, SASB identifies accounting metrics.

SASB recommends that each company consider using these sustainability accounting metrics when disclosing its performance with respect to each of the sustainability topics it has identified as material.

As appropriate—and consistent with Rule 12b-20⁴—for each sustainability topic, companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy, and comparability of the data reported. Where not addressed by the specific accounting metrics, but relevant, the registrant should discuss the following, related to the topic:

- The registrant's **strategic approach** to managing performance on material sustainability issues;
- The registrant's competitive positioning;
- The **degree of control** the registrant has;
- Any measures the registrant has undertaken or plans to undertake to improve performance; and
- Data for the registrant's **last three completed fiscal years** (when available).

SASB recommends that registrants use SASB Standards specific to their primary industry as identified in the [Sustainable Industry Classification System \(SICS™\)](#). If a registrant generates significant revenue from multiple industries, SASB recommends that it consider the materiality of the sustainability issues that SASB has identified for those industries and disclose the associated SASB accounting metrics.

Users of the SASB Standards

The SASB Standards are intended for companies that engage in public offerings of securities registered under the Securities Act of 1933 (the Securities Act) and those that issue securities registered under the Securities Exchange Act of 1934 (the Exchange Act),⁵ for use in SEC filings, including, without limitation, annual reports on Form 10-K (Form 20-F for foreign issuers), quarterly reports on Form 10-Q, current reports on Form 8-K, and registration statements on Forms S-1 and S-3. Nevertheless, disclosure with respect to the SASB Standards is not required or endorsed by the SEC or other entities governing financial reporting, such as FASB, GASB, or IASB.

⁴ SEC Rule 12b-20: "In addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading."

⁵ Registration under the Securities Exchange Act of 1934 is required (1) for securities to be listed on a national securities exchange such as the New York Stock Exchange, the NYSE Amex, and the NASDAQ Stock Market or (2) if (A) the securities are equity securities and are held by more than 2,000 persons (or 500 persons who are not accredited investors) and (B) the company has more than \$10 million in assets.

Scope of Disclosure

Unless otherwise specified, SASB recommends:

- That a registrant disclose on sustainability issues and metrics for itself and for entities in which the registrant has a controlling interest and therefore are consolidated for financial reporting purposes (controlling interest is generally defined as ownership of 50% or more of voting shares);⁶
- That for consolidated entities, disclosures be made, and accounting metrics calculated, for the whole entity, regardless of the size of the minority interest; and
- That information from unconsolidated entities not be included in the computation of SASB accounting metrics. A registrant should disclose, however, information about unconsolidated entities to the extent that the registrant considers the information necessary for investors to understand its performance with respect to sustainability issues (typically, this disclosure would be limited to risks and opportunities associated with these entities).

Reporting Format

Activity Metrics and Normalization

SASB recognizes that normalizing accounting metrics is important for the analysis of SASB disclosures.

SASB recommends that a registrant disclose any basic business data that may assist in the accurate evaluation and comparability of disclosure, to the extent that they are not already disclosed in the Form 10-K (e.g., revenue, EBITDA, etc.).

Such data—termed “activity metrics”—may include high-level business data such as total number of employees, quantity of products produced or services provided, number of facilities, or number of customers. It may also include industry-specific data such as plant capacity utilization (e.g., for specialty chemical companies), number of transactions (e.g., for Internet media and services companies), hospital bed days (e.g., for health care delivery companies), or proven and probable reserves (e.g., for oil and gas exploration and production companies).

Activity metrics disclosed should:

- Convey contextual information that would not otherwise be apparent from SASB accounting metrics.
- Be deemed generally useful for users of SASB accounting metrics (e.g., investors) in performing their own calculations and creating their own ratios.
- Be explained and consistently disclosed from period to period to the extent they continue to be relevant. However, a decision to make a voluntary disclosure in one period does not obligate a continuation of that disclosure if it is no longer relevant or if a better metric becomes available.

⁶ See US GAAP consolidation rules (Section 810).

Where relevant, SASB recommends specific activity metrics that—at a minimum—should accompany SASB accounting metric disclosures.

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Median reach of advertisements and marketing campaigns ⁷	Quantitative	Number	SV0301-A
Number of exposures to advertisements or marketing campaigns ⁸	Quantitative	Number	SV0301-B
Median frequency of exposures ⁹	Quantitative	Number	SV0301-C
Number of employees	Quantitative	Number	SV0301-D

Units of Measure

Unless specified, disclosures should be reported in International System of Units (SI units).

Uncertainty

SASB recognizes that there may be inherent uncertainty when disclosing certain sustainability data and information. This may be related to variables such as the imperfectness of third-party reporting systems or the unpredictable nature of climate events. Where uncertainty around a particular disclosure exists, SASB recommends that the registrant should consider discussing its nature and likelihood.

Estimates

SASB recognizes that scientifically-based estimates, such as the reliance on certain conversion factors or the exclusion of *de minimis* values, may be necessary for certain quantitative disclosures. Where appropriate, SASB does not discourage the use of such estimates. When using an estimate for a particular disclosure, SASB expects that the registrant discuss its nature and substantiate its basis.

Timing

Unless otherwise specified, disclosure shall be for the registrant's fiscal year.

Limitations

There is no guarantee that SASB Standards address all sustainability impacts or opportunities associated with a sector, industry, or company, and therefore, a company must determine for itself the topics—sustainability-related or otherwise—that warrant discussion in its SEC filings.

⁷ Note to **SV0301-A** - "Reach" refers to the percentage of consumers in the target audience that are exposed to a particular advertisement in the stated period of time. "Target audience" refers to the group of people toward whom advertisements are aimed.

⁸ Note to **SV0301-B** - "Exposures" refers to the opportunities that a viewer, listener, or reader had to see or hear an advertisement (also known as "impressions" for online marketing).

⁹ Note to **SV0301-C** - "Frequency" refers to the number of times targeted consumers are exposed to advertisements or marketing campaigns in the stated period of time.

Disclosure under SASB Standards is voluntary. It is not intended to replace any legal or regulatory requirements that may be applicable to user operations. Where such laws or regulations address legal or regulatory topics, disclosure under SASB Standards is not meant to supersede those requirements. Disclosure according to SASB Standards shall not be construed as demonstration of compliance with any law, regulation, or other requirement.

SASB Standards are intended to be aligned with the principles of materiality enforced by the SEC. However, SASB is not affiliated with or endorsed by the SEC or other entities governing financial reporting, such as FASB, GASB, or IASB.

Forward-looking Statements

Disclosures on sustainability topics can involve discussion of future trends and uncertainties related to the registrant's operations and financial condition, including those influenced by external variables (e.g., environmental, social, regulatory, and political). Companies making such disclosures should familiarize themselves with the safe harbor provisions of Section 27A of the Securities Act and Section 21E of the Exchange Act, which preclude civil liability for material misstatements or omissions in such statements if the registrant takes certain steps, including, among other things, identifying the disclosure as "forward-looking" and accompanying such disclosure with "meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the forward-looking statements."

Assurance

In disclosing to SASB Standards, it is expected that registrants disclose with the same level of rigor, accuracy, and responsibility as they apply to all other information contained in their SEC filings.

SASB encourages registrants to use independent assurance (attestation); for example, an Examination Engagement to AT Section 101.

The following sections contain the disclosure guidance associated with each accounting metric such as guidance on definitions, scope, accounting, compilation, and presentation.

The term "shall" is used throughout this document to indicate those elements that reflect requirements of the Standard. The terms "should" and "may" are used to indicate guidance, which, although not required, provides a recommended means of disclosure.

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Advertising Integrity	Amount of legal and regulatory fines and settlements associated with false, deceptive, or unfair advertising ¹⁰	Quantitative	U.S. Dollars (\$)	SV0301-01
	Percentage of campaigns reviewed for adherence with the Advertising Self-Regulatory Council's (ASRC) standard, percentage of those in compliance	Quantitative	Percentage (%) by revenue	SV0301-02
	Percentage of campaigns that promote products or services deemed socially harmful and subject to restrictions or taxes on use	Quantitative	Percentage (%) by revenue	SV0301-03
Data Privacy	Discussion of policies and practices relating to behavioral advertising and consumer privacy	Discussion and Analysis	n/a	SV0301-04
	Percentage of online advertising impressions that are targeted to custom audiences	Quantitative	Percentage (%) by revenue	SV0301-05
	Amount of legal and regulatory fines and settlements associated with consumer privacy ¹¹	Quantitative	U.S. Dollars (\$)	SV0301-06
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for: (1) executives, (2) professionals, and (3) all others	Quantitative	Percentage (%)	SV0301-07

¹⁰ Note to **SV0301-01** - Disclosure shall include a description of fines and settlements and corrective actions implemented in response to events.

¹¹ Note to **SV0301-06** - Disclosure shall include a description of fines and settlements and corrective actions implemented in response to events.

Advertising Integrity

Description

All businesses have a legal responsibility to ensure that advertising about their products and services is truthful and not deceptive. Both the content of ads and their placement is included in this scope. While much of the burden of compliance with these regulations lies on advertisers, ad agencies play a vital role in creation of ad content and are responsible for advising their clients regarding the applicable regulations. Consumer protection laws provide guidance and restrictions on advertising to children. There are strict guidelines on advertising regulated products, like alcohol, tobacco, and drugs. Regulators investigate the involvement of the ad agency in any deceptive advertising and can take action against agencies. Advertising and marketing companies are keenly aware of these regulations and concerns and many participate in self-regulatory programs that address these areas.

Accounting Metrics

SV0301-01. Amount of legal and regulatory fines and settlements associated with false, deceptive, or unfair advertising

- .01 The registrant shall disclose the amount (excluding legal fees) of all fines or settlements associated with incidents relating to false, deceptive, or unfair advertising, including, but not limited to, violations of the Federal Trade Commission Act (15 U.S.C §§ 41-58, as amended) which requires that (1) advertising must be truthful and non-deceptive; (2) advertisers must have evidence to back up their claims; and (3) advertisements cannot be unfair.
- .02 Disclosure shall include civil actions (e.g., civil judgment, settlements, or regulatory penalties) and criminal actions (e.g., criminal judgment, penalties, or restitutions) taken by any entity (government, businesses, or individuals).

Note to SV0301-01

- .03 The registrant shall briefly describe the nature (e.g., guilty plea, deferred agreement, or non-prosecution agreement) and context (e.g., lack of substantiation of claims, etc.) of fines and settlements.
- .04 The registrant shall describe any corrective actions it has implemented as a result of each incident. This may include, but is not limited to, specific changes in operations, management, processes, products, business partners, training, or technology.

SV0301-02. Percentage of campaigns reviewed for adherence with the Advertising Self-Regulatory Council's (ASRC) standard, percentage of those in compliance

- .05 The registrant shall disclose the percentage of its advertising and marketing campaigns (by revenue) that were reviewed by the ASRC for adherence to the ASRC voluntary self-regulatory programs and policies, which are directed at performance of advertisers (e.g., the clients of advertising agencies).
 - The scope of disclosure is all advertising and marketing campaigns and associated recommendations by the registrant (e.g., placement of ads).

.06 The ASRC provides guidance and sets standards of truth and accuracy for national advertisers, and is administered by the Council of Better Business Bureaus. The ASRC sets policies and procedures for the following self-regulatory entities:

- National Advertising Division (NAD), Children's Advertising Review Unit (CARU), and Electronic Retailing Self-Regulation Program (ERSP) are the investigative arms of the ASRC's voluntary self-regulation program, responsible for receiving or initiating, evaluating, investigating, and resolving complaints or questions from any source involving the truth or accuracy of national advertising, or in the case of CARU, consistency with CARU's [Self-Regulatory Program for Children's Advertising](#).
- Online Interest-Based Accountability Program (Accountability Program) monitors entities engaged in online behavioral advertising (OBA) to ensure compliance with the Self-Regulatory Principles for Online Behavioral Advertising.

.07 The percentage of campaigns is calculated as the revenue associated with advertising and marketing campaigns that were reviewed by ASRC for adherence to the ASRC voluntary self-regulatory programs and policies, divided by total advertising and marketing revenue.

.08 The registrant shall disclose the percentage of its ASRC-reviewed advertising and marketing campaigns, by revenue, that were found by ASRC to be in compliance with its voluntary self-regulatory programs and policies.

SV0301-03. Percentage of campaigns that promote products or services deemed socially harmful and subject to restrictions or taxes on use

.09 The registrant shall disclose the percentage of its advertising and marketing campaigns that promote the following products or services, which are widely deemed to have potential for causing social harm and are subject to restrictions or taxes on use:

- Alcohol
- Tobacco
- Gambling
- Pharmaceuticals and over-the-counter drugs
- Firearms and ammunition
- Gasoline and other fuels

.10 The percentage is calculated as the total revenue generated from advertising and marketing campaigns that promote the types of products or services listed above, divided by the total revenue from all advertising and marketing campaigns.

.11 The registrant may choose to discuss its approach to managing potential impacts from specific rules, prohibitions, media restrictions, labeling disclosures, and warning requirements applicable to advertising for the types of products or services listed above (e.g., bans on outdoor advertisements for tobacco products in the U.S. and E.U.).

Data Privacy

Description

With the rise of social media, location-based mobile applications, and e-commerce, our digital footprints offer a more complete picture of consumer habits than ever before. Where companies used to simply place an ad for a new car in an automobile-related website or magazine, advertisers can now find highly detailed information about their buyers' habits and lives, and advertising strategies can be precisely targeted. Being part of an industry that uses large quantities of data about private citizens, Advertising & Marketing companies must weigh the benefits of targeted advertising along with public concern for data privacy.

Accounting Metrics

SV0301-04. Discussion of policies and practices relating to behavioral advertising and consumer privacy

.12 The registrant shall describe the nature, scope, and implementation of its policies and practices related to the privacy of consumer information, with a specific focus on how the registrant addresses the collection, usage, and retention of consumers' personally identifiable information and its approach to behavioral advertising, where:

- Consumer information includes information that pertains to a user's attributes or actions, including, but not limited to, records of communications, content of communications, demographic data, behavioral data, location data, or personally identifiable information.
- Demographic data is defined as the quantifiable statistics that identify and distinguish a given population. Examples of demographic data include gender, age, ethnicity, knowledge of languages, disabilities, mobility, home ownership, and employment status.
- Behavioral data is defined as the product of tracking, measuring, and recording individual behaviors such as consumers' online browsing patterns, buying habits, brand preferences, and product usage patterns, among others.
- Behavioral advertising makes use of data that was the product of tracking, measuring, and recording individual behaviors such as consumers' online browsing patterns, buying habits, brand preferences, and product usage patterns, among others.
- Location data is defined as data describing the physical location or movement patterns of an individual, such as Global Positioning System coordinates or other related data that would enable identifying and tracking of an individual's physical location.
- Personally Identifiable Information (PII) is defined as any information about an individual maintained by an entity, including (1) any information that can be used to distinguish or trace an individual's identity, such as name, Social Security number, date and place of birth, mother's maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.¹²

¹² *Privacy: Alternatives Exist for Enhancing Protection of Personally Identifiable Information*, GAO Report 08-536, May 2008.

.13 With respect to behavioral advertising, the registrant should describe how it addresses the following principles, described by the cross-industry [Self-Regulatory Principles for Online Behavioral Advertising](#):

- Education—participation in educational efforts for consumers about behavioral online advertising
- Transparency—clearly disclosing information about data collection and data-use practices
- Consumer control—allowing users to choose whether data is collected or transferred to non-affiliates
- Data security—providing basic security provisions and having clear policies relating to the retention of consumer information
- Material changes—obtaining consent before applying changes to policies that are less restrictive than existing ones
- Sensitive data—abiding by the Children’s Online Privacy Protection Act (COPPA) and handling consumer data such as financial information, Social Security numbers, and medical information
- Accountability—participation in self-regulatory organizations such as the Direct Marketing Association

.14 The registrant shall describe the information “lifecycle” (i.e., collection, use, retention, processing, disclosure, and destruction) and how information-handling practices at each stage may affect individuals’ privacy.

- With respect to data collection, the registrant should discuss which data or types of data are collected without consent of an individual, which require opt-in consent, and which require opt-out action from the individual.
- With respect to usage of data, the registrant should discuss which data or types of data are used by the registrant internally and under what circumstances the registrant shares, sells, rents, or otherwise distributes data or information to third parties.
- With respect to retention, the registrant should discuss which data or types of data it retains, the length of time of retention, and practices used to ensure that data is stored securely.

.15 The registrant shall discuss the degree to which its policies and practices address similar issues as those outlined in the [OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002 \(M-03-22\)](#), including use of Privacy Impact Assessments (PIAs),¹³ where:

- A PIA is an analysis of how information is handled that ensures handling conforms to applicable legal, regulatory, and policy requirements regarding privacy; determines the risks and effects of collecting, maintaining, and disseminating information in identifiable form in an electronic information system; and examines and evaluates protections and alternative processes for handling information in order to mitigate potential privacy risks.
- As outlined by OMB M-03-22, PIAs must analyze and describe: (a) what information is to be collected, (b) why the information is being collected, (c) the intended use of the information, (d) with whom the

¹³ *Privacy: Alternatives Exist for Enhancing Protection of Personally Identifiable Information*, GAO Report 08-536, May 2008.

information will be shared, (e) what opportunities individuals have to decline to provide information (i.e., where providing information is voluntary) or to consent to particular uses of the information (other than required or authorized uses) and how individuals can grant consent, and (f) how the information will be secured, among other government-specific requirements.

.16 The registrant shall discuss how its policies and practices related to privacy of consumer information address children's privacy, which at a minimum includes the provisions of COPPA.

.17 The registrant may choose to discuss its privacy policies in terms of how it complies with the Word of Mouth Marketing Association's (WOMMA) [privacy guidance](#).

SV0301-05. Percentage of online advertising impressions that are targeted to custom audiences

.18 The registrant shall disclose the percentage of its advertising impressions that are targeted to custom audiences, where:

- An advertising impression is a measure of the number of opportunities that a viewer, listener, or reader has to see or hear an online advertisement.
- Custom audiences are defined as individuals to whom advertisers target their advertisements based on behavioral data (e.g., interest-based advertising, which uses the pattern of web pages visited to infer a consumer's interest), or other consumer information. Excluded from this scope is any advertisement that is not directly targeted to a custom audience, such as those advertisements that are targeted according to publisher (e.g. contextual advertising).
- Consumer information includes information that pertains to a user's attributes or actions, including, but not limited to, records of communications, content of communications, demographic data, behavioral data, location data, or personally identifiable information (PII).
 - Demographic data is defined as the quantifiable statistics that identify and distinguish a given population. Examples of demographic data include gender, age, ethnicity, knowledge of languages, disabilities, mobility, home ownership, and employment status.
 - Behavioral data is defined as the product of tracking, measuring, and recording individual behaviors such as consumers' online browsing patterns, buying habits, brand preferences, and product usage patterns, among others.
 - Location data is defined as data describing the physical location or movement patterns of an individual, such as Global Positioning System coordinates or other related data that would enable identifying and tracking of an individual's physical location.
 - Personally Identifiable Information (PII) is defined as any information about an individual maintained by an entity, including (1) any information that can be used to distinguish or trace an individual's identity, such as name, Social Security number, date and place of birth, mother's maiden name, or

biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.^[1]

- The scope of disclosure is limited to impressions from advertising campaigns delivered online, including through mobile devices or Internet-based TV services

- .19 The registrant shall calculate the percentage as the total number of advertising impressions that target custom audiences, divided by the total number of advertising impressions.
- .20 The registrant shall calculate the number of advertising impressions, in accordance with the Interactive Advertising Bureau's (IAB) Interactive Audience Measurement and Advertising Campaign Reporting and Audit Guidelines.
- .21 The scope of disclosure includes online advertising impressions generated directly by the registrant and that it has made on behalf of its customers, including those resulting from ad inventory sold on networks and exchanges operated by the registrant, ad space purchased on behalf of customers through platform buying services, and media plans developed by the registrant which specify the locations and type of ad placement.

SV0301-06. Amount of legal and regulatory fines and settlements associated with consumer privacy

- .22 The registrant shall disclose the amount (excluding legal fees) of all fines or settlements associated with incidents relating to consumer privacy, including, but not limited to, violations of COPPA, Directive 2002/58/EC (ePrivacy Directive), the U.S.-E.U. Safe Harbor Program, and the Federal Trade Commission Privacy Act.
- .23 Disclosure shall include civil actions (e.g., civil judgment, settlements, or regulatory penalties) and criminal actions (e.g., criminal judgment, penalties, or restitutions) taken by any entity (government, businesses, or individuals).

Note to SV0301-06

- .24 The registrant shall briefly describe the nature (e.g., guilty plea, deferred agreement, or non-prosecution agreement) and context (e.g., unauthorized monitoring, sharing of data, children's privacy, etc.) of fines and settlements.
- .25 The registrant shall describe any corrective actions it has implemented as a result of each incident. This may include, but is not limited to, specific changes in operations, management, processes, products, business partners, training, or technology.
- .26 All disclosure shall be sufficient such that it is specific to the risks the registrant faces, but disclosure itself will not compromise the registrant's ability to maintain data privacy and security.

^[1] *Privacy: Alternatives Exist for Enhancing Protection of Personally Identifiable Information*, GAO Report 08-536, May 2008.

Workforce Diversity & Inclusion

Description

Competitive advantage in the Advertising & Marketing industry is derived from creative, cutting-edge ideas. Companies in this industry aim to attract top talent as inputs to create the most successful ad campaigns. Additionally, larger companies have clients across the globe, and in order to be able to effectively reach audiences, companies must employ a diverse workforce. Research has shown that connecting with target markets relies, to a large extent, upon employing a diverse workforce that is reflective of the communities served. A diverse workforce is a critical success factor to improving service outcomes and enhancing financial performance.

Accounting Metrics

SV0301-07. Percentage of gender and racial/ethnic group representation for: (1) executives, (2) professionals, and (3) all others.

.27 The registrant should summarize and disclose employee representation by employee category in the following table format:

Employee Category	Gender (%)			Race and Ethnicity (%)					
	Male	Female	NA*	White	Black or African American	Hispanic or Latino	Asian	Other^	NA*
Executives/Sr. Managers									
Professionals									
All Others									

*NA = not available/not disclosed

^Other includes American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and “two or more races” classifications

.28 The registrant shall classify its employees according to the U.S. Equal Employment Opportunity Commission [EEO-1 Job Classification Guide](#) into the following three categories: Executives/Sr. Managers and Professionals (i.e., any employees classified as EEO-1 Professionals, with census job codes of 2600-2920), and All Others (i.e., other EEO-1 categories, including mid-level managers, professionals (with census job codes other than 2600-2920), technicians, sales, administrative support, and service workers).

.29 The registrant shall categorize the gender of its employees as: male, female, or not disclosed/available.

.30 The registrant shall classify the racial/ethnic group of its employees in the following categories, using the same definitions employed for the registrant’s [EEO-1 Report](#): White, Black or African American, Hispanic or

Latino, Asian, and Other (which includes American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and “two or more races” classifications), or not disclosed/available.

- .31 Where racial/ethnic group and/or gender representation percentages are significantly influenced by the country or region where the workforce is located, the registrant shall provide contextual disclosure to ensure proper interpretation of results.
- Where relevant, the registrant may provide a supplemental breakdown of gender and racial/ethnic group representation by country or region.

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