

The DJEH Family of Companies'

# Day-to-Day Situation Guide

Companion Document to the Code Conduct



OCTOBER  
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## Table of Contents

<b>03</b>	<b>INTRODUCTION</b>
<b>04</b>	Client Portfolio Management
<b>06</b>	Conducting Client Campaigns
<b>09</b>	<b>EARNED MEDIA &amp; STORYTELLING</b>
<b>09</b>	Media Relations
<b>10</b>	Engaging Third Party Writers
<b>11</b>	Gifts
<b>12</b>	<b>OWNED &amp; SOCIAL MEDIA</b>
<b>12</b>	Online Behavior
<b>13</b>	Community Management
<b>13</b>	Wikipedia
<b>14</b>	<b>PAID MEDIA</b>
<b>14</b>	Transparency in Buying and Content
<b>15</b>	Brand Safety
<b>15</b>	Sponsored Content
<b>15</b>	Affiliate Marketing
<b>16</b>	Programmatic Advertising
<b>16</b>	Influencers
<b>18</b>	<b>OTHER</b>
<b>18</b>	Market, Opinion and Social Research and Data Analytics
<b>18</b>	Public Affairs
<b>19</b>	Industry Codes of Conduct
<b>19</b>	Client Requests Unrelated to our Business
<b>20</b>	Other DJEH Inquiries and Requests for Information

## Introduction

The Code of Conduct guides employees of Daniel J. Edelman Holdings, Inc.<sup>1</sup> (“DJEH”) on legal and ethical standards that our business adheres to in general. We developed the Day-to-Day Situation Guide to provide additional assistance to employees on issues that are specific to the nature of our work in the communications and public relations industry. These two documents should be consulted in tandem.

Over the past several years, the communications landscape has changed dramatically. Media relations continues to evolve as media businesses reduce newsroom headcount while also working to reinvent themselves as digital publishers and event producers. The lines between earned and paid have blurred. Brands are embracing new approaches that integrate marketing and communications, and topics like influencer marketing, affiliate marketing, customer insights and brand safety are integral to many companies’ contemporary programming efforts.

Against this changing landscape, we have also seen increased concerns about ‘fake news,’ declining trust in media and concerns about where and how to find accurate information. We believe that our role in communications is to be ‘truth tellers,’ ensuring that media are working with facts and that businesses and brands can have a positive impact on our society.

We have captured key topics for our teams to keep in mind in this operating environment, both with respect to our client engagements and campaigns as well as the overarching areas of earned, owned and paid media. Please note that these categories are not always discreet and can blend into each other so it is important to be familiar with each of these important areas as they apply to our day-to-day engagements.

The application of the policies included in the Code of Conduct and this Day-to-Day Situation Guide often require careful consideration when being applied to issues that you may come across in the workplace. Following is a high-level framework that captures the considerations and decision-making process to be applied in such situations.

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<sup>1</sup> Daniel J. Edelman Holdings, Inc. includes Daniel J. Edelman, Inc., StrategyOne, Inc. d/b/a Edelman Data & Intelligence, Zeno Group, Inc., Assembly Media, Inc., Matter, Inc., United Entertainment Group Holdings, LLC, Edible, Inc., Edelman Miami Latin America Corp., The H & W Group, Inc. d/b/a Saludem, The R Group Public Relations Company, Inc. d/b/a Revere, First & 42nd, Inc., and all operating companies and divisions, including such divisions as First@Edifi, BioScience Communications and DJEScience, under the Edelman family of companies (collectively referred to as “DJE Holdings” or “DJEH” in this document).

## Code of Conduct Framework for Decision Making: considerations & questions

FIRST STEP: Identify the Potential Issue and Impact	SECOND STEP: Engage and Investigate	THIRD STEP: Evaluate and Assess Options	FOURTH STEP: Communicate the Path Forward
<ul style="list-style-type: none"> <li>• Is it a potential violation of               <ul style="list-style-type: none"> <li>+ the Code of Conduct?</li> <li>+ the law?</li> <li>+ DJEH's business operating procedures?</li> </ul> </li> <li>• Is it a potential breach of a client contract or engagement?</li> <li>• Would it impact               <ul style="list-style-type: none"> <li>+ DJEH's reputation?</li> <li>+ DJEH's finances?</li> <li>+ DJEH's clients?</li> <li>+ DJEH people-you or others?</li> <li>+ the law or society?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Who do I need to involve helping on the matter               <ul style="list-style-type: none"> <li>+ Legal?</li> <li>+ Compliance?</li> <li>+ HR?</li> <li>+ Manager?</li> <li>+ Finance?</li> </ul> </li> <li>• What information do I need to resolve the potential issue?</li> <li>• Where is the information located               <ul style="list-style-type: none"> <li>+ Internally?</li> <li>+ With a client?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Is there a path forward?</li> <li>• Does the path forward               <ul style="list-style-type: none"> <li>+ follow DJEH's Code of Conduct and values?</li> <li>+ comply with the law?</li> </ul> </li> <li>• Would the path forward               <ul style="list-style-type: none"> <li>+ affect DJEH's reputation?</li> <li>+ affect a client's reputation?</li> </ul> </li> <li>• Who makes the decision regarding the path forward?</li> </ul>	<ul style="list-style-type: none"> <li>• Identify the key stakeholders:               <ul style="list-style-type: none"> <li>+ DJEH?</li> <li>+ Clients?</li> <li>+ Employees?</li> <li>+ Regulators/Law Enforcement?</li> <li>+ Other third parties such as Affiliates? NGO's?</li> </ul> </li> </ul>

### REMEMBER: ASK BEFORE YOU ACT

### Client Portfolio Management

In building our client portfolio, it's important to remember that as members of the communications industry we help to serve the public interest by acting as responsible advocates for those we represent. We provide a voice in the marketplace for ideas, facts, and viewpoints to aid informed public debate. It is important that we facilitate dialogue and diversity of opinions rather than encouraging or expecting others to adopt a singular point of view.

There are a number of factors to be considered when determining if a potential client is a good fit for our firm. These considerations include the following:

- **Industry Considerations** - DJEH does not accept engagements for the tobacco (including e-cigarettes), firearms, pornography, or coal production industries.
- **Conflict Considerations** - We must address potential client conflicts and concerns about exclusivity before accepting new clients. We can often address potential conflicts by implementing appropriate safeguards, including creating separate teams or engaging a separate office. In some instances, we may use a separate DJEH company, such as Zeno and other specialty companies (including Revere, Edible, Saludem, First At Edifi and others), and by being transparent with appropriate disclosure about the conflict mitigation plan to the affected client(s).



Please refer to the DJEH Client Conflicts Policy for further discussion.

- ***Reputation Considerations*** - It is important that we consider the best interests of our clients, DJEH, and other stakeholders when determining whether to accept a client engagement. We need to be sensitive to engagements where our involvement with the client, the industry it is in, or the nature of the engagement itself could damage DJEH's reputation or are inconsistent with our stated values. Also pay attention to current events as the client's position on certain issues may impact our decision on whether to represent them.
- ***Strategic Considerations*** – Evaluate how the client opportunity may fit within our overall strategy for growth and client service as well as the nature of the opportunity and degree that our engagement could affect positive change at the company or societal level.
- ***Resource Considerations*** – Determine whether the client has the necessary financial and operational resources to meet the needs and goals of the engagement as well as to comply with contractual client obligations.

Decisions about portfolio management are not always easy. The following policies and procedures have been put in place to ensure that opportunities are appropriately vetted before being added to our client portfolio.

## Addressing Complicated and Controversial Topics

Supporting informed and balanced public debate means that firms may at times represent clients who may be considered controversial in some instances. We must balance issues and support our clients' efforts to be socially responsible. Complicated issues oftentimes have valid and passionate perspectives on all sides and we certainly expect that our colleagues at DJEH will have these varied points of view. In cases where companies may be perceived by some as being on the wrong side of an issue or have made missteps in the past, communications can play a powerful role in assisting them in taking corrective actions, moving forward and telling their story in the present.

## Client Portfolio Management Committee (CPMC):

The CPMC was created to address situations where a client prospect or new work from an existing client may be perceived as potentially controversial, and to provide senior level oversight over our client work globally. The committee is comprised of functional leaders from each region to ensure that we have both the global and local perspective on issues as they arise. Please refer to our Client Portfolio Management Policy for discussion of the role and purpose of the CPMC, the type of issues that should be escalated for review, the types of business, reputational and legal/compliance risks that should be considered, and more.

## Due Diligence:

Those engaged in pursuing a new business opportunity are responsible for conducting commercially reasonable due diligence to ensure adequate consideration of client

conflicts as well as potential controversy and reputational questions that may be associated with a new client or engagement. This is important not only for business reasons but for legal reasons as well (e.g., country sanctions restrictions, Foreign Agents Registration Act reporting, grassroots/indirect lobbying disclosures, etc.). Where such considerations are identified as part of the due diligence process, they must be escalated to senior leaders, subject matter experts such as legal and compliance, and/or the CPMC, as appropriate, while maintaining confidentiality.

### **Personal Convictions:**

As noted above, we recognize that some employees may have differing opinions regarding certain engagements. In these cases, both the employee and our company are expected to respect the other's position. DJEH has put procedures in place to ensure that all engagements, including those where there may be some perceived controversy, are carefully evaluated and considered before taking on a particular engagement. Therefore, even if employees disagree with a decision regarding DJEH's acceptance of an engagement, they should respect DJEH's decisions on portfolio management because such engagements have undergone careful evaluation and consideration. Such differences should be viewed in a professional manner – at times agreeing to disagree – by always respecting the confidentiality obligations that are required under the Code of Conduct and contractually obligated for all of our client work.

However, DJEH respects employee convictions by making sure that no employee is required to work for a client whose business conflicts with the employee's personal beliefs.

If an employee declines to work for a client based on a conflict of this type, DJEH, to the best of its abilities, shall assign the employee to an alternate engagement or client.

## **Conducting Client Campaigns**

We need to be aware of legal and regulatory restrictions, safety considerations, as well as ethical, cultural, and societal issues that may affect how we conduct our client campaigns. Laws and regulations are established at the national, regional, and local levels and may often vary significantly based on geography.

### **Ethical and Societal Expectations:**

When planning client campaigns, we must consider the ethical and societal implications. Failure to do so can result in challenges to our clients' and our own integrity. As such we have a dual mandate: To help our clients tell their stories and help them advance in an environment that calls for more transparency, collaboration, and consideration of societal expectations. Guiding us are DJEH's values and principles, the Code of Conduct, and our culture of embracing the letter and the spirit of doing what is right.

### **Client Industry Regulations:**

Many of our clients operate in a regulated environment, such as those in the healthcare or financial services industries. We need to understand and comply with industry-specific regulations that apply to our client services.

### **Rules of the Media or Venue:**

DJEH's policy is to follow the rules and regulations that have been established for any type of media or communications channel that we use to conduct a client campaign.

### **Audience Targeting:**

Over the past several years, audience targeting is a growing ethical debate. Issues such as user privacy, fake news and personal health and wellness are making it likely that diverse media platforms and other entities will take steps to ensure that business, political and other organizations are not taking advantage of an audience when it comes to their advertising and messaging. As such, communication to target groups and their influencers should be structured in accordance with applicable laws and regulations and with due consideration of public sensitivities.

- Care should be taken when targeting a specific demographic audience (race/ethnicity, gender, generation, LGBTQ+, etc.) and the appropriate internal team members should be consulted as necessary (e.g., our multicultural team, employee network group members, etc.).
- DJEH does not develop or distribute any communication about alcohol, gambling services or products, or adult products to individuals under the applicable legal age.
- DJEH distributes communications materials relating to adult products or material only to individuals who are over the age of legal consent and who have specifically consented to receive adult marketing.
- Also please consider data protection requirements when reaching out to targeted audiences.

### **Permits and licenses:**

Local or regional regulations may require companies to obtain permits or licenses

before conducting activities such as door-to-door campaigns and rallies.

### **Freelancers:**

The engagement of Freelancers hired to work with DJEH staff on behalf of client work should be in writing in accordance with the Agreements with Agencies/Consultants section of the Code of Conduct. All such Freelancers are generally expected to sign a Non-Disclosure Agreement (NDA). They are also expected to comply with DJEH's Code of Ethics for Suppliers and Service Providers.

And, of course, be sure we conduct reasonable due diligence when hiring Freelancers. This due diligence may be informal or – in the case where they will be used on government engagements – formal. Also, use the Compliance Team to vet the individual and/or firm against various watch and denied parties lists.

### **Intellectual Property:**

We respect and preserve intellectual property rights in the marketplace.

### **Safety:**

Use common sense and consider public or individual safety concerns when developing promotional items, events, or campaigns on behalf of our clients.

### **Sweepstakes:**

While sweepstakes are often effective marketing devices, they are also strictly regulated to prevent unethical and deceptive marketing practices and to avoid violation of applicable gambling laws.

### **Privacy and Data:**

Significant restrictions may apply to the gathering, use and distribution of personal information used as part of a campaign. Never sell, distribute, or use such information in any way other than as indicated in the campaign and allowed by applicable law. Laws such as Europe's General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA) have broad reaching implications for our work with clients across jurisdictions. These laws govern the ability to share personally identifiable information – for example, a screen shot of an Instagram account that might include personal information, such as that individual's name and location, or providing reporter contact details that are not otherwise publicly available. Please familiarize yourself with DJEH's Personal Data Processing Standards, utilize DPIA's where required, and consult with the Office of the General Counsel whenever support is required.

### **Telemarketing and Mobile Communications:**

Various telemarketing laws restrict companies or organizations from making unsolicited marketing telephone calls to consumers.

### **Advocacy Organizations:**

If we recommend or assist a client in creating an advocacy organization, we must be transparent regarding the source of funding and the organizations and interests that we represent.

### **Grassroots Marketing or Indirect Lobbying:**

When conducting grassroots campaigns, we need to ensure transparency about the identity of our client and the cause. We do not engage in grassroots campaigns that create or make

use of any organization purporting to serve one cause while actually promoting a special or private interest that is not apparent.

In some locations, there may also be regulatory disclosure requirements associated with grassroots marketing or indirect lobbying where the purpose is to encourage activism aimed at influencing legislation or regulations. Examples would be letter-writing campaigns targeting legislators. Whether such indirect lobbying disclosure requirements exist is often dependent on state and/or municipal regulation. If you will be engaged in such indirect lobbying activities, contact the Compliance Team to determine if such disclosure requirements apply.

### **Guerilla Marketing:**

If a proposed media campaign includes elements of guerilla marketing or uses other non-traditional ways to generate media attention, be sure that it meets the guidelines set forth above, including the need to meet ethical and societal expectations, public safety concerns, and so forth. Also, be sure to be transparent about corporate sponsorship of such events or activities.

If you have questions about how specific laws may affect a proposed client campaign, contact the Company's Compliance Team or the Office of the General Counsel.



# Earned Media & Storytelling

## Earned Media & Storytelling

Today, the power of storytelling is as important as ever. The elements of stories – tension, surprise, relatable protagonist or spokesperson, a strong call to action – help to garner attention, convey useful information, and deliver compelling content that resonates across channels. This is at the heart of what guides our media strategies and should inform our interactions, particularly with journalists.

### Media Relations:

We believe that effective storytelling is inextricably linked with accurate and factual information-sharing. The best content is that which empowers stakeholders, enables better decision-making, informs and furthers debate, and improves our global community. An underpinning of our earned media approach is the critical role of transparency. To that end, we expect that all DJEH employees observe the following when working with the media on client engagements.

- **Public Disclosure** - Obtain permission from the client before publicly disclosing

information about them or interacting with the media on their behalf.

- **Transparency and Proper Representation** - When engaging journalists, properly identify yourself and the client(s) you represent. Be open about your intentions.

Regulatory initiatives by regulatory bodies such as the FCC, as well as ethical guidelines from industry organizations such as the Radio and Television News Directors Association, have been established to protect the credibility of broadcast news programming. In some jurisdictions there are now fines to enforce proper disclosure when stations use branded or third-party content. To ensure transparency and credibility, we cannot position client-sponsored packages as news if it is truly more of a marketing or promotional release without ensuring adequate disclosure. For example, if you pursue a 'brand integration,' it is important to engage with the DJEH Media Network Leadership Team to ensure you understand appropriate protocols.

These are rules and regulations issued by the various regulatory agencies or trade associations regarding VNRs and other video provided by “non-media third parties.” When our team is engaged to support our clients with engagements using this third-party content, such as VNRs (video news releases), SMTs (satellite media tours), ANRs (audio news releases), we are responsible for making sure that such guidelines are followed.

We continue to practice best-in-class media relations approaches, which are the hallmark of DJEH:

- Maintain regular and constructive relationships with reporters ensuring that we are well positioned to help journalists and ensure accurate and impactful engagement for our clients.
- Find creative and compelling ways to deliver stories, including ways to bring them to life through visual and multi-channel content that enables media such as Bloomberg, Fortune or CNBC, for example, to share it across property platforms (e.g., print, online video, newsletter or social channel).
- Ensure that content and messages are accessible and relatable through interesting or local spokespeople who can deliver key messages clearly, effectively, and credibly.
- Ensure that our stories use data, facts and expert spokespeople to ensure accuracy and integrity in reporting.
- Adhere to the highest level of integrity.

As noted above, we continue to recommend creative and visual ways to bring to life stories. It is important that the production of these assets is appropriately documented, attributed and disclosed ensuring they do not

inadvertently compromise the integrity of journalism with branding and commercialism.

Today, DJEH more frequently recommends creating custom content and/or partnering with a media outlet to co-develop relevant assets specific to the journalist’s or platform’s needs. Additionally, b-roll packages (e.g., unedited material such as factory production footage, behind-the-scenes at a film shoot, “running” footage of a car on a highway) continue to be useful. Well-produced b-roll contains footage that is not overtly commercial and allows producers and reporters to easily build and edit their own stories. Similar disclosures of who produced and paid for the b-roll is also required.

Similar rules apply to radio. As with TV news, nothing turns off producers and reporters faster than overt commercial messaging. One or two relevant client or product mentions, and only as they apply to a truly newsworthy story, is the most we should try to secure. Messages will achieve maximum impact when delivered by a credible spokesperson as part of a compelling, educational or insightful commentary.

If you have questions about any of the above please contact members of the DJEH leadership team.

### **Engaging Third Party Writers and Experts to Draft or Sign Written Content:**

If you hire a third-party journalist or writer (“Writer”), make it clear that the Writer is expected to follow the same guidelines regarding transparency and proper representation of themselves and their client when presenting story ideas to media outlets for potential publication.

When we draft communications for our clients, transparency of authorship and our relationships with the experts who are the authors or signatories can pose complex and challenging issues for our clients and DJEH's operations. This especially applies to practice areas where consumers rely heavily on the opinions of experts in making decisions, such as medical education and publishing, other aspects of health communications, and financial communications, or where business ethics have been questioned.

Overall, we must help our clients in all industries understand the shift in the rules of stakeholder engagement from interactions that are based on "sponsored associations" to ones that are based on trusting relationships.

- When developing communications we insist that authors are expert and involved in the given subject matter, research (medical or other) or, in the case of the drug and biotech industries, in clinical trials. We do not encourage or solicit mere signatories on any communications, including but not limited to op-eds, opinion pieces, commentaries, original research manuscripts, white papers, and blogs, without first obtaining e-mails and other written endorsement from the author acknowledging responsibility for the content, including agreement with the information, commentary, opinions, and conclusions in said communications.
- We follow applicable guidance established by the media, journals and international journal editor groups (e.g., International Committee of Medical Journal Editors), industry, and the government about

authorship, disclosure of editorial support, industry funding and other such issues.

Particularly in an era of "fake news," there's no easy solution or one-size-fits-all approach to address these issues. Transparency, fact-checking, referencing and disclosure are essential. Consult with your practice leaders or the DJEH Compliance Team if you need guidance on a particular situation.

### **Gifts, Travel Reimbursements and Related:**

DJEH has a comprehensive gift policy as relates to our employees, clients and others. With respect to media, do not compensate members of the media, monetarily or in any other form, in return for an expectation of earned coverage. For coffees, lunches or other social meetings with journalists, as well as for branded gifts, many publications have specific limitations around the value that journalists are permitted to accept, which is important to understand. Similarly, many journalists are unable to have their travel covered (e.g., New York Times or Wall Street Journal). Where permissible and common practice to cover travel costs, it is critical to follow local norms and be transparent with all parties about the source of funds for a journalist's travel. Reimbursement for a journalist's travel by a client does not impose any expectation of coverage by the journalist.

# Owned & Social Media

## Owned & Social Media

The online and social channels and platforms that audiences spend their time on are constantly shifting. In parallel, our clients also continue to evolve their owned, online and social presences. Some platforms grow and stay active for decades, while others ultimately shut down over time. It is important that DJEH consider how we engage and help our clients engage in a consistent manner in this continually evolving environment.

### Online Behavior:

DJEH recognizes the importance of online community, communications and commerce and encourages the use of social media in business and personal life.

While a complete discussion of the “do’s and don’ts” for online engagement is beyond the scope of this document, be sure you are familiar with the rules and guidelines discussed in the DJEH Online Behavior Policies and Procedures for All DJEH Family of Companies Staff before conducting any online engagement on behalf of a client. Additionally, always be aware of the use of personal

information in advance of building and running an online campaign to ensure compliance with the DJEH Personal Data Processing Standards, including the use of DPIA’s where required.

Guiding principles underpinned by honesty and transparency still apply:

- Consumer protection and respect are paramount
- Promote a safe and inclusive environment, in particular as it relates to audience targeting
- The Honesty ROI: Honesty of relationship, opinion and identity
- Understand and respect both the explicit and the commonly understood rules of the venue
- Manage relationships with minors responsibly
- Promote honest downstream communications
- Protect privacy and permission

Many jurisdictions and industry associations have implemented regulations or guidelines on marketing and communications activities online. All DJEH employees should familiarize themselves with the applicable regulations and guidelines and, most of all, follow the general guidelines about online behavior and protecting the company's reputation.

If you have questions, consult with the appropriate DJEH experts for further guidance.

### **Community Management:**

We recommend that all clients managing online and social communities have clear guidelines for how users can participate and engage to ensure a healthy and safe environment. This ensures that both the brand and the audiences understand the rules of engagement inside an owned community and are setup to foster positive relationships and environments for all participants.

### **Wikipedia:**

Generally speaking, it's almost never a good idea for a company to edit its own Wikipedia entry, or any entry where it has a vested interest. As such, we should not engage in such activity on behalf of clients. The Wikipedia community is very quick to publicly call out any company or individual that it believes is operating out of a conflict of interest. Please reach out to your local Digital leader for guidance should a client require counsel on Wikipedia.



# Paid Media

## Paid Media

As noted earlier in this document, paid media is an increasingly important aspect of the communications and marketing landscape. Media outlets are experimenting with new forms of business models that rely on new revenue streams and more types of paid content and integrations. Further, new categories of paid have emerged as media platforms have shifted where audiences find entertainment, stay connected with friends and family, and spend time shopping and buying goods and services. While traditional categories such as paid television have largely declined, emerging areas such as paid influencer programming have emerged in a very short timeframe. As brands continue to refine and enhance their paid programming to ensure they are reaching their audiences on the right channels and with relevant content, it is important that we consider key reputational impacts.

### Transparency in Buying and Content:

It is important for DJEH to have a clear understanding with clients about their paid media arrangements, official agreements, visibility into platforms and partners they are

using, and any new targeting technologies. As advertising evolves, so do fee models. Models that bundle media, technology, data, and agency costs (commonly referred to as “bundled” models) can be perceived as opaque and lacking fee transparency. While these bundled models do make billing easier, they should be accompanied with fully transparent reporting so that all fees are disclosed to the client in an ethical manner.

It is also important that we ensure transparency in the ads and partnerships themselves. While many platforms have mechanisms in place to ensure ethical advertising (e.g., making it easy for users to know where content is an ad), many newer ad formats are still largely unregulated. One example is influencer marketing on Instagram. While Instagram launched a tool to specifically showcase a sponsored post, and regulators continue to remind influencers and brands to clearly disclose their partnerships, many continue to seek shortcuts and simply include the hashtag “#ad” rather than using proper disclosures.

**Brand Safety:**

This is a brand reputation consideration that relates primarily to the context in which a company's advertising content appears on various media and technology platforms. It is critical that any paid strategy consider where brand content may appear to ensure relevant and appropriate context, as well as implementing proper monitoring and engagement processes as additional safeguards for brand safety. For example, there have been high-profile issues where brand content inadvertently appears in a political or racial context that is inappropriate or counter to a brand's values. It is important to use platform or third-party technologies to protect our clients' brands and prevent their ads from showing on inappropriate content.

**Sponsored Content:**

With decreasing advertising revenue in print media, some publications are increasingly experimenting with various types of paid content similar to advertorials. Some content is authored by a brand spokesperson and edited by the publication while other content is authored by the publication and approved by the participating client or brand. In some instances, this type of engagement is paid for directly while in other instances it is funded indirectly by buying advertising. Because sponsored content can blur the line between editorial and paid content, it is important to ensure that transparency, cultural norms and other industry guidelines or regulations are accurately considered and respected specific to each client and situation.

It is important to outline clear expectations for use of sponsored content (e.g., reposting it on social channels) by both the publication and

the participating client as well as appropriate disclosure identifying that it is sponsored coverage. For example, many publications will differentiate sponsored from editorial content by font or design style, including it as an insert, or labeling it as paid content (e.g., with the words "Advertisement", "Special Advertising Section" or "Promotion" in the header). There are also periodicals, such as in the travel and real estate industries, where both advertisers and readers are aware that most or all of the material is paid content.

**Affiliate Marketing:**

An affiliate program consists of an arrangement between an online business or brand and affiliate platforms, which could be an intermediary and/or a media publication, in which the merchant pays a commission to the affiliate for sending traffic to its site through paid advertising or news coverage. Affiliate platforms are paid according to a particular agreement, which is frequently based on the number of people sent through to the merchant's site and/or consumer actions taken, such as account signups or online transactions.

An increasing number of news outlets are linking their editorial content to affiliate programs or creating their own (e.g., Business Insider, USA Today, CNBC). When company products are part of the affiliate program for a media outlet, they are often go-to sources for inclusion in articles on topics related to the product. While editorial maintains its independent perspective – for example, it won't give a positive review to a poor product – this does shape the volume of coverage for some brands.

Advertising affiliates can impact brand reputation by misrepresenting a brand's positioning, leveraging targeting tactics that are not aligned with DJEH ethical standards, or delivering ads on inappropriate content, as discussed above. As such, it is important to leverage affiliate monitoring technology to govern affiliate activities and protect client reputation.

### Programmatic Advertising:

As marketers look to reach audiences across a growing list of channels and platforms, the use of Data Management Platforms (DMPs) has become common. A DMP offers a central location for marketers to target ads across social, websites, various digital platforms and over-the-top media. It is important to be aware of these trends as related to areas such as Brand Safety and data protection. As noted earlier, transparently communicating technology platform, data and agency fees (often referred to as the "programmatic waterfall") is important, as those fees can accumulate and must be managed to ensure appropriate funding for actual working media.

### Engaging Paid Influencers, Experts & Spokespeople:

The world of the "paid spokesperson" has gotten much more complex since the days of Dan Edelman's "Toni Twins." For one thing, disclosure of a paid arrangement is required, and failure to do so can be a violation of DJEH Values and Principles as well as, in some cases, applicable regulations. Another thing that has changed is that you may not only have to pay the spokesperson for their services, but in some cases you may also have to pay integration fees to media outlets for the appearance/segment that the paid spokesperson appears in.

Please observe the following when engaging influencers, experts and spokespeople ("Influencers") for client campaigns.

- **Identification** - When assessing the appropriateness of an Influencer, DJEH uses tools to identify and analyze all available information about that individual and provide the client with a full accounting of this due diligence for the client's consideration. Within the research and identification stage, we set specific client vetting criteria to ensure we select brand-safe partners for the programs by auditing past partnerships, content quality, fake followers, and individual conduct. It's important to be aware of the Influencer's recent paid work as well as other current promotion work to ensure that such work will not create a problem for our client. Their management will be able to disclose this information to you. As a further part of this due diligence, contact the Compliance Team to vet the Influencer and/or firm against various watch and denied parties lists. At the client's request, we will conduct formal background checks where allowed by law.

As in all aspects of our business, we are committed to supporting and enabling a diverse and inclusive workplace. This includes our efforts to ensure that the voices of identified spokespersons properly reflect such diversity on behalf of our clients.

- **Training** - When the Influencer is being trained for communication with the media or endorsing the Client brands, it is critical that these individuals, whether a client employee, independent expert, celebrity,

influencer, or other figure, understand his/her role in the campaign, the messages he/she is to relay, and how he/she is being represented prior to rendering services.

- **Documentation** - The understanding between the Influencer and DJEH should be in writing and at a minimum contain their obligations, the rights being obtained by the client, the total fee, appropriate conduct, service overview, the length of the engagement, and the degree to which the client expects the Influencer to honor exclusivity.

Keep in mind that in some cases, additional documentation requirements may be required by law. For instance, in our healthcare practice the Physician Payments Sunshine Act (PPSA) may require the disclosure of any payments or other transfers of value made to physicians or teaching hospitals for their services rendered on behalf of our clients.

- **Conflict of Interests** - When we engage these influential individuals, we respect their independence. Payments are made for actual services rendered and never in a way that could be misinterpreted as a bribe or other illegal or improper means to induce product use or promotion. Decisions about honoraria, expense reimbursement, venue selection, and relationship disclosure are made according to customary and accepted practices, legal requirements, ethical considerations, and common sense. It's important to remember that anytime payment is exchanged with an influencer, spokesperson, or expert that they must be instructed to clearly and conspicuously

disclose their partnership, as may be required under applicable laws.

Also remember that payments to influencers, experts and spokespersons in some cases are regulated by law, particularly in the case of payments to healthcare providers. In these cases it's critically important to ensure that adequate processes and controls are put in place in accordance with regulations and our client's own compliance requirements before processing any payment for services.

If you have questions regarding our work with Influencers, consult with the appropriate DJEH experts for further guidance.

# Other

## **Market, Opinion and Social Research and Data Analytics**

Research is an increasingly important element in informing work for our clients. With more and more data available in digital form, we increasingly function as curators, focusing on gathering, organizing, integrating and analyzing data from a diverse range of sources, much of which already exists. This research can provide us with insights that help to develop breakthrough campaigns and more impactful engagement strategies for our clients.

In doing so, we rely on the cooperation and confidence of the public to ensure that research is carried out honestly and objectively, while at the same time respecting the privacy and data protection rights of those whose data is used as a part of our research, and handling such data responsibly and in accordance with applicable data protection regulations.

Our thinking and policies regarding our approach to research are based on our affiliation with the Insights Association and ESOMAR, and as such we adhere to the Insight Association's Code of Standards and Ethics for Market Research and Data Analytics and the ICC/ESOMAR International Code on Market, Opinion and Social Research and Data Analytics. Also see the DJEH Code of Conduct for discussion of our firm's data protection policies.

## **Public Affairs**

Our work in public affairs often has associated regulatory requirements. All public affairs colleagues must adhere to local code of ethics and practice requirements as outlined by national laws. These requirements vary significantly by jurisdiction and may include the following:

- Engaging in public affairs work may require the company to be registered as a lobbyist and make regular disclosures to the government about the nature of its work,



such as is required in the European Union and other jurisdictions.

- We may need to log our interactions with key political and civil service figures. Keeping a log of the time and date of such events, along with notes of key discussions, will be fundamental in these cases.

Please note that DJEH is NOT registered as a lobbyist in certain jurisdictions that require such registration (e.g., the U.S. and India) and therefore ***DJEH cannot engage in any disclosable lobbying activities in such jurisdictions.***

If you are unsure of the legal requirements related to our public affairs work, consult with the CEO or COO of Public Affairs, the local PA lead, or local office leadership for guidance.

### Industry and Practice Area Codes of Conduct

A number of codes of conduct have been developed by various national and international public relations, communications, and practice-specific organizations. Employees should take the time to review the codes that apply to their region or specialty because outside parties may use them to evaluate our business practices. Links to a number of these industry or practice specific codes of conduct are maintained on your company's intranet site (e.g., SharePoint). You can also check with your general manager or practice leader for further guidance.

### Client Requests Unrelated to our Business

It is possible for a client to ask us to do something that is unrelated to the services for which we have been engaged. Examples of

such special requests could include, but are not limited to, the following:

- Requests to use our budgets and out-of-pocket expenses to pay client invoices that we have no control over and/or are not related to our work;
- Reimbursing client employees for out-of-pocket expenses or providing them with any other payments or things of value; or
- Hiring an employee or intern who will then work under the direct and sole management of the client rather than DJEH.

Oftentimes the rationale provided for the favor may seem reasonable and it may appear that we would simply be helping out a valued client or colleague. Unfortunately, we can't be sure that's the case. While client satisfaction is very important, these types of requests are extremely risky. In some cases, the request may be an attempt to circumvent the client's own internal controls. In other cases, we would have no direct knowledge or assurance of whether the resources are actually being deployed for the indicated purpose. Being a party to a transaction that we are not involved in and have no direct knowledge or control over could inadvertently give rise to allegations of money laundering, corruption, or other wrongdoing.

Because of these risks, such special requests are prohibited by DJEH policy. If you have any question or concern about a special request from a client, contact your regional finance and compliance teams.

## Responding to Outside Requests for Information and Disclosures

DJEH employees are occasionally contacted by outside parties to obtain or release information about DJEH or its business. To avoid possible inconsistencies, data privacy issues, accidental disclosure of confidential information or potential conflicts with existing or prospective clients, only authorized personnel or those who have received express permission to do so should respond to such inquiries. Please observe the following guidelines if you are contacted by an outside party for comment or information on a matter:

- **Client Engagements** – Refer to our contract or client agreement to determine which employees are authorized to talk to the media or other outside parties.
  - **General Media Inquiries** – As a general rule, we do not comment on client work or personnel matters to the media. The only exception is when we have express verbal/written consent from said client via the client lead to promote a case study to an outlet, a new win announcement, or to submit our work to an industry awards program. Regarding other media inquiries:
    - Employees must get approval from Global Marketing and Regional Marketing leads for any media inquiries that center around potentially controversial issues and current events, high-profile crisis situations, reputational or controversial topics potentially impacting DJEH or its stakeholders, DJEH financial information and client work.
    - Level 5 and above (including general manager, managing director) may
- comment on other non-client related media engagements or articles discussing non-controversial topics and industry trends related to their market, after those opportunities have been fully vetted with Local/Regional and Global Marketing, in order to ensure consistency and that DJEH's interests and its clients' interests are safeguarded.
- **Vendor Endorsements** – We work with a broad range of vendors, and some may ask that we offer a testimonial about their products or services. Doing so may sometimes create unintended conflict with existing or prospective clients. We must never offer or agree to such testimonials or the use of any DJEH brand or logo by a 3<sup>rd</sup> party for their own marketing purposes without the express review and approval of DJEH Compliance Team and Global Marketing.
  - **Litigation or other Dispute Resolution** – Contact the Office of General Counsel to determine who is authorized to respond to such requests.
  - **Regulatory Inquiries** – DJEH's various support departments (e.g., human resources) have experts who are authorized to respond to routine regulatory requests for information. In the event of a request related to a non-routine investigation by a regulatory agency, contact the Office of General Counsel for guidance.
  - **Other Inquiries About DJEH** – The Executive Committee authorizes only the chairman, the global CEO and others expressly selected to disclose such information. No other employee is

authorized to make public disclosures without express authorization from the chairman, the global CEO, the Office of the General Counsel, DJEH Compliance Team and/or Global Marketing.

There may be times when outside parties try to obtain information about our employees or our business. Unscrupulous recruiters or competitors may even misrepresent themselves to do so. Take steps to confirm the identity of outside parties and follow the policies noted above to ensure that we don't inadvertently disclose inside or confidential information that could harm DJEH, our employees, or our clients.

***Subject to applicable law, should a non-English translation of this document have a conflict of language with the English version, the English version shall prevail.***



### **GLOBAL COMPLIANCE CONTACT**

Daniel J. Edelman Holdings, Inc.  
Office of the General Counsel  
200 East Randolph Street  
Chicago, IL 60601  
[compliance@djeholdings.com](mailto:compliance@djeholdings.com)

### **THE COMPLIANCE & ETHICS LISTEN LINE**

[www.mycompliancereport.com](http://www.mycompliancereport.com)  
Access Code: DJE  
(U.S. and Canada) 844-223-4172  
(International) See page 35 of Code of Conduct for listings

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