

The DJEH Family of Companies'

Day-to-Day Situation Guide

Affiliates Network Version

Companion Document to the Code Conduct



J A N U A R Y
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Introduction

Introduction

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 business and brands can have a positive impact on our society.

We have captured key topics for teams to keep in mind in this operating environment, both with respect to 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 day-to-day client engagements.

The application of the policies included in the Code of Conduct for Affiliates and this Day-to-Day Situation Guide for Affiliates often require careful consideration when being applied to issues that you may come across in the workplace. These two documents should be consulted in tandem when conducting work on behalf of clients of Daniel J. Edelman Holdings, Inc.¹ Following is a high-level framework that

¹

Daniel J. Edelman Holdings, Inc. includes Daniel J. Edelman, Inc., StrategyOne, Inc. d/b/a Edelman Intelligence, Zeno Group, Inc., Assembly Media, Inc., Matter, Inc., United Group Holdings, LLC, Edible, Inc., Edelman Miami Latin America Corp., The H & W Group, Inc. d/b/a Salutem, 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).

captures the considerations and decision-making process to be applied in such situations.

The term Client(s) shall mean those entities and individuals that have hired DJEH and Affiliate to provide services for them. It shall not include any entities or individuals that have not engaged DJEH but whom Affiliate may service as part of its own business.

Accepting Client Engagements

Accepting Client Referrals from DJEH:

The affiliation agreement generally appoints the Affiliate as the exclusive service provider within the specified territory. This being said, DJEH reserves the right to engage an alternative service provider in the territory (i.e., to render the appointment of Affiliation Member non-exclusive for purposes of that engagement) in situations such as the following:

- **Conflict Considerations** – The Affiliate must raise to DJEH any potential conflicts between Affiliation Member clients and DJEH Client referrals to determine whether they can be resolved before accepting the referral.
- **Resource Considerations** – The Affiliate must evaluate whether they have the necessary financial and operational resources and expertise to meet the needs and goals of the engagement as well as to comply with contractual Client obligations.
- **Client Needs** – The specific needs of the Client may also impact whether the

engagement can be referred to or accepted by the Affiliate.

Referring Clients to DJEH:

When an Affiliate client is referred to DJEH, DJEH will apply the previous considerations to determine whether it can take on the work. In addition, DJEH has the following additional policies in considering client engagements.

- **Industry Considerations** – DJEH does not accept engagements for the tobacco (including e-cigarettes), firearms, pornography, or coal production industries.
- **Reputation Considerations** – DJEH will consider the best interests of DJEH clients, DJEH, and other stakeholders when determining whether to accept a client engagement. DJEH is sensitive to engagements where 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 the DJEH stated Values.

Conducting Client Campaigns

Be aware of legal and regulatory restrictions, safety considerations, as well as ethical, cultural, and societal issues that may affect how to conduct 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, consider the ethical and societal implications. Failure to do so can result in challenges to Clients' and our own integrity. As such there is a dual mandate: To help Clients tell their stories and help them advance in an environment that calls for more transparency, collaboration, and consideration of societal expectations. Use the Code of Conduct for Affiliates and this Day-to-Day Situation Guide for Affiliates as a reference and strive for the spirit of doing what is right.

Client Industry Regulations:

Many Clients operate in a regulated environment, such as those in the healthcare or financial services industries. Understand and comply with industry-specific regulations that apply to Client services.

Rules of the Media or Venue:

Follow the rules and regulations that have been established for any type of media or communications channel that is used 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.
- Do not develop or distribute any communication about alcohol, gambling services or products, or adult products to individuals under the applicable legal age.
- Distribute 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 on behalf of a DJEH Client should be in writing in accordance with the Agreements with Agencies/Consultants section of the Code of Conduct. All such Freelancers are expected to comply with DJEH's Code of Ethics for Suppliers and Service Providers.

Reasonable due diligence should be conducted when hiring Freelancers.

Intellectual Property:

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 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 data protection laws.

Telemarketing and Mobile Communications:

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

Advocacy Organizations:

If you recommend or assist a Client in creating an advocacy organization, you must be transparent regarding the source of funding and the organizations and interests that are represented.

Grassroots Marketing or Indirect Lobbying:

When conducting grassroots campaigns, ensure transparency about the identity of the Client and the cause. 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

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.

Earned Media & Storytelling

Earned Media & Storytelling

Today, the power of storytelling is as important 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:

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 earned media is the critical role of transparency. To that end, please 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 you represent. Be open about your intentions.

Regulatory initiatives by regulatory bodies as well as ethical guidelines from industry organizations 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, do not position Client-sponsored packages as news if it is truly more of a marketing or promotional release without ensuring adequate disclosure

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 engaged to support Clients with engagements using this third-party content, such as VNRs (video news releases), SMTs (satellite media

tours), ANRs (audio news releases), you are responsible for making sure that such guidelines are followed.

- Please keep the following in mind regarding media relations:
- Maintain regular and constructive relationships with reporters to enable accurate and impactful engagement for 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 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 stories use data, facts, and expert spokespeople to ensure accuracy and integrity in reporting.
- Adhere to the highest level of integrity.

When using creative and visual ways to bring to life stories, be sure 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.

Consider custom creating 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-rolls contain footage that is not overtly commercial, sound bites, and

background information, and they allow 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.

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

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

When drafting communications for Clients, transparency of authorship and relationships with the experts who are the authors or signatories can pose complex and challenging issues. 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.

Help ensure that Clients 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, 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. 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.
- Follow applicable guidance established by the media, journals and international journal editor groups, 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 DJEH engagement manager if you need guidance on a particular situation.

Gifts, Travel Reimbursements and Related:

With respect to media, when you are working for Clients, 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. 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, Clients also continue to evolve their owned, online, and social presences.

Online Behavior:

When working with Clients on an online campaign, the guiding principles underpinned by honesty and transparency still apply:

- Consumer protection and respect are paramount
- Promote a safe and inclusive environment, as 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. You should be familiar with the applicable regulations and guidelines.

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, do 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.

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 to consider key reputational impacts.

Transparency in Buying and Content:

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. Be transparent with Clients on any fee arrangements where mediums are bundled.

Be transparent in the ads and partnerships themselves when working with influencers or others. 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 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 Marketing²:

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. 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.

² For purposes of this section, the lower case word "affiliate" is used in the context of "affiliate marketing" which is a form of performance-based marketing that

rewards traffic brought by another source or platform and is NOT a reference to the individual DJEH Affiliate as part of the DJEH Affiliates network.

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 in recent years. For one thing, disclosure of a paid arrangement is required, and failure to do so can be a violation of the DJEH Code of Ethics for Suppliers and Service Providers 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.

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

- **Identification** - When assessing the appropriateness of an Influencer, conduct due diligence, following applicable laws, and provide the client with a full accounting of all due diligence for the client's consideration. Within the research and identification stage, set specific client vetting criteria to ensure selection of brand safe partners for 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 Clients. Their management will be able to disclose this information to you.
- **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 Affiliate should be in writing.

Keep in mind that in some cases, additional documentation requirements may be required by law.

- **Conflict of Interests** - When engaging influential individuals on behalf of clients,

payments should only be 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 must be 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 disclose their partnership clearly and conspicuously, 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 the Client's own compliance requirements before processing any payment for services.

Other

Market, Opinion and Social Research and Data Analytics

Research is an increasingly important element in informing work for Clients. With more and more data available in digital form, communications firms 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 insights that help to develop breakthrough campaigns and more impactful engagement strategies for Clients.

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 the research and handling such data responsibly and in accordance with applicable data protection regulations.

Public Affairs

Work in public affairs often has regulatory requirements associated. All such Client work 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.

Industry and Practice Area Codes of Conduct

Affiliates should be aware of and familiar with codes of conduct that have been developed by various national and international public

relations, communications, and practice-specific organizations. Affiliates 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.

Affiliates should be cautious of requests from Clients that are unrelated to the services for which Affiliate is contracted to perform (i.e. requests to use budgets and out of pocket expenses to pay client invoices unrelated to work).

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