ICC COMMISSION ON MARKETING AND ADVERTISING

Intergovernmental Organisation Developments

ICC Sweden Marketing Committee Meeting 20 October 2021



OVERVIEW: IGO UPDATES

- International Organization for Standardization (ISO) Proposal for Guidance on Marketing to Children
- OECD Committee on Consumer Policy Updates
- European Commission (EC) Updates
- IAB Europe Updates
- World Federation of Advertisers (WFA) Updates
- Federal Trade Commission (FTC) Updates



ISO Proposal for Guidance on Marketing to Children



Since 2019, ISO's Committee on consumer policy (COPOLCO) was exploring the possibility of developing guidance on marketing to children, following a proposal by the Japanese ISO member, together with Save the Children Sweden:

- 3 September 2019: ICAS, EASA and ICC held a joint meeting with ISO representatives to discuss the ISO work stream and express their concern about the risk of duplication with the work of the ICC on marketing to children
- 24 April 2021: a formal proposal was circulated and was up for vote by the ISO Membership by the 17th of July 2021
 PROPOSAL'S AIM: provide principles and best practice guidelines for advertising and marketing to protect children at different ages and stages of development from harm and to promote their healthy physical and psychological growth.
- May June 2021: ICC, together with other partner organisations (ICAS, EASA, WFA), mobilized their networks to engage with local ISO representatives to help influence the vote <u>against</u> the proposal, in view of existing ICC guidance and SR systems already in place.
- ICC National Committees [including ICC Sweden], were instrumental to this effort
- 17 July 2021: The COPOLCO Secretariat confirmed that, since the proposal did not meet the 2/3 approval requirement, the work item proposal did not pass the ISO member vote

ISO Proposal for Guidance on Marketing to Children

Member responses - Vot	es by men	nbers									5					
		1a.	Agree	to add t	o work p	rogramm	e		1b.Stake	holders	2. Rel	evant	2 0 0 0		4 Dentis	
Country (Member body)	Date of reply				-	No		Market relevance	consultation		documents		3. Comments		4. Participation	
		20.00	30.00	40.00	PWI: Yes	PWI: No	Abs	relevance	Yes	No	Yes	No	Yes	No	Yes	No
Israel (SII)	2021-06-07						x		х			х		х		X
Italy (UNI)	2021-07-12						X									X
Japan (JISC)	2021-07-15	X						x	Х			х		Х	X	
Korea, Republic of (KATS)	2021-07-16	X						x	Х			х		х		x
Lithuania (LST)	2021-07-09	х						x	х		х			х		X
Malaysia (DSM)	2021-07-12						x		х			X		X		x
Mexico (DGN)	2021-06-17						х			X		X		х		X
Netherlands (NEN)	2021-07-12					X		x	X		х		x			X
New Zealand (NZSO)	2021-07-15						X		Х			X		Х		X
Norway (SN)	2021-07-14	X						x	X			X		х		X
Panama (COPANIT)	2021-07-16					х		х	х			х		х		х
Peru (INACAL)	2021-07-17	х						x		x	x			x	X	
Philippines (BPS)	2021-07-16						x			X		х		x	X	
Poland (PKN)	2021-07-09						x		X			X		х		X
Portugal (IPQ)	2021-07-08					х		x	X		х		х		X	
Russian Federation (GOST R)	2021-06-23	X						x	X			х		X	X	
Serbia (ISS)	2021-07-16				х			x	X			х		X	х	
Singapore (SSC)	2021-06-01	X						х	х		х			X		х
Slovenia (SIST)	2021-07-13	х						х		X		х		х		X
South Africa (SABS)	2021-07-17						x		х			X		х		X
Spain (UNE)	2021-06-23					х		х	х		х			х		X
Sudan (SSMO)	2021-07-15	х						x		X		X		х		X
Sweden (SIS)	2021-07-08						x	х	X		х			х	X	
Switzerland (SNV)	2021-07-05					х		х	X		х			х	X	
Uganda (UNBS)	2021-05-24		х					х	х			х		х	х	
United Kingdom (BSI)	2021-07-05						x	х	X			x		x		x
United States (ANSI)	2021-07-14					X		X	X			X	X			X
Zimbabwe (SAZ)	2021-07-17	х						х	X			X		х		X
Sub-Total Question 1a		18	0	0	2	9	20									
Totals	Totals		18		11 2		20	36	42	7	14	35	8	41	15	35

Comments from voters		
Member	Comment	Date
	Comment to Q.6: While consumer sector supports this item, toy manufacturer sector opposes to it	2021-07-16

- The criteria of "2/3 majority of the national bodies voting in favor" was not met as 18 members voted in favor of the proposal and 11 members voted against the proposal.
- 20 members voted with abstention, including the Swedish body (SIS).

The vote was lost by a narrow margin. A large number of members voted with abstention or did not vote at all.

Important to remain vigilant and keep a watchful eye on developments as a similar proposal could resurface

OECD Committee on Consumer Policy/Working Party on Consumer Product Safety

- The OECD work on **Consumer Policy** focuses on *Product Safety* in the age of interconnected devices and smart machines as well as *Consumer Protection* through industry-led regulation and accurate understanding of the situation of digital consumers.
- The OECD work on **consumer product safety** focuses on improving information sharing and promoting greater co-operation among product safety market surveillance, enforcement, and regulatory authorities worldwide.

Both Committees:

- Examine the consumer impact of new digital technologies and business models
- Develop international consumer product safety policy frameworks in digital markets (WPCPS)
- Strengthen consumer policy through informed and conscious consumer choices



OECD Committee on Consumer Policy/Working Party on Consumer Product Safety

> Ongoing projects:

• OECD draft on Dark Commercial Patterns Online

"Dark (commercial) patterns is an umbrella term designating a wide variety of online practices in **user interfaces that aim to steer, deceive, coerce, or manipulate consumers into making choices regarding purchases or their personal data that may not be in their best interests**."

- The project aims to further the CCP's understanding of how consumers react to or perceive certain dark patterns, including how behavioural biases may be exploited.
- An initial draft was circulated for input at the beginning of October
- Report covers:
 - a. definition of dark commercial patterns;
 - b. prevalence of DCPs online;
 - c. impact on consumer decision-making and consumer welfare;
 - d. policy and enforcement responses;
 - e. what can businesses and individual consumers do;
 - f. Outlook: protecting consumers against DCPs with AI.

ICC provided comments through Business@OECD to consider existing guidance and industry initiatives, calling for a more balanced approach

Report will be discussed at next CCP session in Nov 2021 and final report is expected in Oct 2022



Other OECD CCP Initiatives

- Digital economy paper on the effects of online disclosure about personalized pricing on consumers, results from a lab experiment in Ireland and Chile (18 January 2021)
- Product safety pledges (7 April 2021)
- Al survey (9 April 2021)
- Disclosure effectiveness (9 April 2021)
- **E**-commerce recommendation (9 April 2021)
- OECD International Consumer Conference (15-17 June 2021)
- Implementation toolkit on legislative actions for consumer protection enforcement cooperation (July 2021)
- 2021 Global awareness campaign composed of an international sweep on online product safety (October 2021 and a related campaign in the autumn of 2022)
- Review of the G20/OECD High-level principles on financial consumer protection (2021/2022)



EU Initiatives

	HFSS and alcohol advertising	Environmental issues Proposal on	Political advertising and disinformation	Online advertising
Lasidatina		substantiating green claims	Digit	al Services Act
Legislative		Empowering the consumer for the green transition	Proposal for greater transparency in sponsored political	
Non-legislative	Code of Conduct		content	
	for Responsible Business and Marketing Practices		Guidance to strengthen the CoP on Disinformation	
Policy concerns	Europe's Beating Cancer Plan	EESC own-initiative opinion on "advertising for modern, responsible consumption"		

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EU Initiatives

Non-legislative

- European Green Deal Farm-To-Fork Strategy 20 May 2020
 Purpose "make food systems fair, healthy and environmentally-friendly"
 EU Code of Conduct for Responsible Business and Marketing Practice, accompanied by a monitoring framework
 - Purpose Increase "availability and affordability of healthy, sustainable food options to reduce the overall environmental footprint 0 of the food system"
 - "Apply responsible food marketing and advertising practices, e.g. by adhering to self- and co-regulatory initiatives and standards" 0

Legislative

- Legislative proposal on empowering consumers through green transition Q3 2021
 - Purpose "empower consumers for the green transition with better information on products' sustainability and better protection \bigcirc against certain practices such as greenwashing and early obsolescence"
- Legislative proposal on the substantiation of green claims Q3 2021
 - Purpose "make the claims reliable, comparable and verifiable across the EU reducing 'greenwashing' (companies giving a false \bigcirc impression of their environmental impact)."
- Legislative Proposal for a Regulation on a Single Market For Digital Services Digital Services Act (December 2020)
 - Purpose to establish jointly a coherent policy framework to help the Union to make sustainable goods, services and business models the norm and to transform consumption patterns in a more sustainable direction 0
 - The upcoming update will introduce rules that will better protect consumers and their fundamental rights online, establish a powerful transparency and a clear accountability framework for online platforms, foster innovation, growth and competitiveness Ο within the single market

EU Initiatives

> In addition to the legislative proposal for substantiating green claims, the EC published:

- <u>New Consumer Agenda</u> → The EC is fully committed to empowering consumers in the green transition and fighting greenwashing
- Screening of websites for 'greenwashing' (January 2021)
- Adoption of the <u>Circular Economy Action Plan</u> (March 2021)
- Proposal for a Regulation on Artificial Intelligence (April 2021): Artificial Intelligence Act Suggestions: technology-neutral definition of AI systems; set of rules tailored on a risk-based approach with 4 different levels of risks
- Revision of the Audiovisual Media Services Directive (Implementation Sept 2020): AVMSD Goal: to create a regulatory framework fit for the digital age, leading to a safer, fairer and more diverse audiovisual landscape. The Commission has adopted tow sets of guidelines:
 - Guidelines on video sharing platforms
 - Guidelines on European works



IAB Europe Initiatives



- > User survey research What Would an Internet Without Targeted Ads Look Like? (April 2021)
 - When given a choice, 75% surveyed chose today's experience over an internet without targeted ads, where they would need to pay to access most sites and apps.
 - The results support the current commercial model, largely funded by targeted advertising, over a scenario where sites and apps fund themselves through subscriptions.
- IAB Europe Open Letter Initiative in relation to the Digital Services Act (16 June 2021) ICC Commission on Marketing and Advertising as co-signatory. The letter voices opposition to a proposed ban on targeted advertising

<u>EC's Response on the open Letter on the DSA and Digital Advertising</u> (4 August 2021) – not the intention to ban certain types of online advertising. The proposal is intended to ensure that the highly opaque value chain becomes accessible to internet users, empowering them to make informed choices, and that it becomes accountable for the high societal impact that advertising can have in fueling illegal content, catalysing disinformation or perpetrating discrimination.

WFA Initiatives



• WFA_Planet Pledge (April 2021)

The Planet Pledge is a CMO-led framework designed to galvanise action from marketers within WGA's membership to promote and reinforce attitudes and behaviours which will help the world meet the challenges laid out in the UN SDGs. The Pledge is designed to amplify existing efforts and introduces new actions that marketing leaders can initiate and champion, thereby playing a distinct role in support of the transition to net zero.

• WFA Diversity & Representation: A Guide to Potential Areas for Bias in the Creative Process (March 2021)

The guide highlights potential issues at every stage of the creative process. The guide also pulls together some key resources that can be used to tackle any gaps or areas of concern.

• WFA report: <u>The future of data-driven marketing</u> (10 March 2021)

The WFA report aims to help guide advertisers as they assess what regulatory changes could mean for the way they approach data-driven marketing.

Diversity, Equity and Inclusion Census

- The research effort was led by the WFA in close collaboration with agencies associations, EACA and Voxcomm, Cannes Lions, Advertising Week, Effies, GWI, Campaign, IAA and research firm, Kantar
- o Initial results (18 Oct) reveal that most common forms of discrimination globally were reported on the basis of age and family status
- Women and ethnic minorities in the marketing industry report poorer lived experiences than men and ethnic majorities
- o Marketing still outperforms many other industries globally on DEI

WFA will participate in the Advertising Association Ad Net Zero Summit – 3-4 November (participation free)

Relevant FTC Initiatives



- FTC Report to Congress on Privacy and Security (13 September 2021)
- Staff Report of the FTC Protecting Consumers During the COVID-19 Pandemic: A Year in Review (April 2021)
- Virtual workshop to examine digital dark patterns (29 April 2021)
- > FTC staff report highlights agency's ongoing efforts to protect consumers (19 April 2021)
- National Consumer Protection Week (NCPW) (28 February 6 March 2021)
- ➤ California Privacy Rights Act (CPRA) of 2020 Ballot Initiative (November 2020 effective Jan 1., 2023) → establishes additional data privacy rights for individuals, e.g. a new data classification, 'sensitive data'; rights for individuals to request data deletion or correct data stored about them

MARKETING COMMISSION UPDATES

Updated ICC Framework for responsible Environmental Marketing Communications

- Expected to be adopted by ICC Executive Board mid-November 2021
- Public release to follow shortly after
- Overview of key changes have been presented:
 - MasCartagena (Sept 2021)
 - NAD Conference (Sept/Oct 2021)
 - EASA Bi-Annual meetings (15 Oct 2021)
 - ICC Croatia Marketing conference (26 Oct 2021)
 - ICC Virtual Platform for COP26 (10 Nov 2021)
 - $\circ~$ Other opportunities for promotion being explored for 2022

> Next Marketing Commission meeting – early December – dates to be confirmed shortly



THANK YOU!

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