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## NAI 2019 Annual Review: Members Are Complying with Code of Conduct

### *Report Highlights Major Efforts to Expand Requirements in 2020*

WASHINGTON, DC (June 4, 2020) - The Network Advertising Initiative (NAI) released its latest [Annual Report](#), highlighting its major initiatives and outlining the work of the compliance team during the 2019 compliance season. The Report revealed that NAI member companies were in fundamental compliance with its Code of Conduct. Overall, evaluated member companies provided thorough public disclosures of their practices and provided reliable consumer choice mechanisms for consumer use, as required by the Code. In addition, the compliance team reported that companies are already proactively preparing for compliance with an all new Code of Conduct in 2020.

"Self-regulation is a valuable tool because it incentivizes an entire industry to continually improve its privacy protections, increase transparency, and apply best practices to new technologies," said Leigh Freund, NAI President and CEO. "The digital advertising ecosystem benefits from wide compliance with sound and responsible data protection and use guidelines, and we're proud that NAI can provide guardrails for the industry."

The 2019 Annual Report details the most important NAI initiatives from the previous year:

- **Publication of the 2020 Code of Conduct**, which greatly expands the scope of the NAI compliance program and provides new privacy protections for users in the realms of digital sensors, location data, sensitive data, and offline data use for digital advertising.
- **New guidance on opt-in consent**, which clarifies that collection of precise location information for digital advertising purposes must be accompanied with clear, just-in-time messaging to consumers at the time of consent.
- **New guidance on health-related targeting** which introduces restrictions in the use of offline demographic data for the creation of modeled audiences.
- **Expanded involvement in public policy**, including state and federal advocacy, CCPA compliance working groups for members, and dialogues with European policymakers.

The NAI's annual compliance reviews comprised a thorough assessment of member disclosures, including data collection, use, and sharing practices, descriptions of technologies used for digital advertising, data retention policies, and transparency with respect to targeting sensitive topics. These reviews also examined the adequacy and functionality of consumer choice mechanisms provided by member companies in web browsers, mobile applications, and connected televisions. The compliance team found strong compliance by member companies overall, and noted that proactive compliance efforts by companies utilizing new technologies continues to improve.

The NAI did, however, issue a compliance warning in 2019 tied to member compliance in the burgeoning connected television space. As 2019 was the first year of reviewing compliance with requirements of notice and choice for companies collecting or using data on connected televisions, NAI compliance staff noted that many evaluated companies did not provide adequate descriptions of their activities in this area, or of the choice mechanisms available to consumers. The compliance warning was accompanied by member education efforts to encourage companies to modify their disclosure and choice practices.

"These growing pains are not uncommon when we expand our coverage to new and developing technologies," explained Anthony Matyjaszewski, NAI Vice President of Compliance and Member Development. "However, we expect more from our members. We will be keeping a close eye on this space during our 2020 compliance reviews to ensure that our member education efforts have been successful."

The Annual Report also indicated that NAI welcomed ten new member companies in 2019. Companies interested in NAI membership cannot simply join; they must undergo a thorough compliance review, commit to ongoing compliance with the Code and oversight by the NAI, and seek approval from the NAI Board of Directors.

Ultimately, the goal of the NAI is to protect consumer privacy and trust while enabling member companies to provide a relevant digital advertising experience to consumers. The NAI continues to update its Code and guidance rapidly to keep pace with technological developments and changing norms.

The NAI's strong privacy self-regulation program provides a method for member companies to demonstrate their compliance with increasingly stronger regulatory requirements and allows regulators to focus more of their efforts on companies that do not.

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## **About the NAI**

The NAI is a non-profit organization and the leading self-regulatory association dedicated to responsible data collection and its use for third-party digital advertising. Since 2000, we have been working with the leaders in online advertising to craft industry standards and policies to promote consumer privacy and trust in across the digital advertising ecosystem. Almost every Internet ad served in the United States involves the technology of one or more of the NAI's over 100 member companies. Together, these companies form the backbone of the thriving and diverse market of ad-supported free content and services. Additional information can be found at [networkadvertising.org](http://networkadvertising.org).