

G A _ P

Gómez-Acebo & Pombo



CODE OF CONDUCT

ON THE USE OF **INFLUENCERS** IN ADVERTISING

The Spanish Association of Advertisers (“**AEA**”) and the Association for the Self-Regulation of Commercial Communication (“**Autocontrol**”) have agreed on a code of conduct on the use of influencers in advertising (hereinafter, the “**Code**”) with the Ministry of Economic Affairs and Digital Transformation and the Ministry of Consumer Affairs, which establishes the ethical framework to be applied in influencers' advertising.

Date of entry into force:

January 1, 2021

1 WHO IS COMPELLED TO COMPLY WITH THE CODE'S DEONTOLOGICAL RULES?

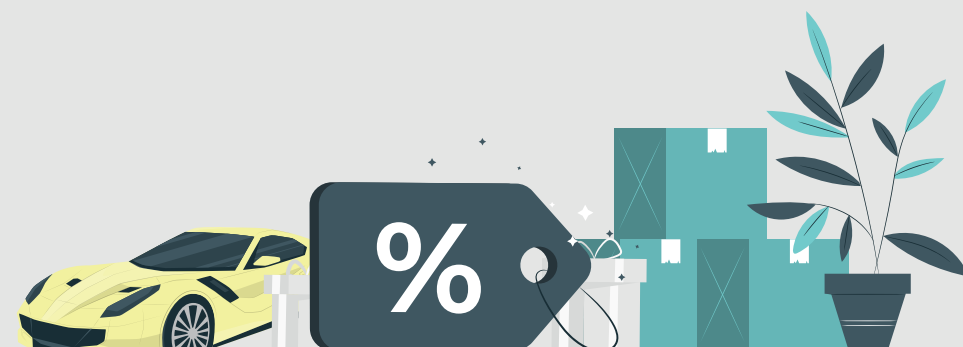
All companies that are members of AEA or Autocontrol (which means, in practice, more than 70% of the advertising investment in our country), as well as all those (advertisers, agencies, representatives, media or influencers) that voluntarily subscribe to the Code.

In addition, the adhering advertisers must establish in their contracts with influencers the need to comply with the Code's deontological rules. Additionally, they should also encourage influencers to adhere to the Code.



3 WHAT IS CONSIDERED "CONSIDERATION"?

Direct payment (or indirect payment through agencies), free delivery of a product, free tickets to events, free provision of a service, gift vouchers, gift bags and trips, among others. The Code is clear on this point: it is irrelevant whether it is a payment in money or in goods.



2 WHAT IS CONSIDERED ADVERTISING CONTENT?

All mentions or content (graphics, audio or visual) that cumulatively:

- a Are aimed at promoting products or services;
- b Are disclosed in the context of reciprocal collaborations or commitments, with the disclosure of such content being the subject of a payment or other consideration by the advertiser or its representatives;
- c Are subject to control by the advertiser or its agents (establishing in advance all or part of it and/or validating it). The Code does not define what should be understood as "editorial control", so it will be necessary to wait to see how this concept is interpreted, in each case, by the supervisory body.

In contrast, neither the content of a purely editorial nature nor the content published by influencers on their own initiative, without any relationship with the advertising company or its agents **will be considered** advertising content and, therefore, the Code will not apply to such content.



4 HOW TO PROPERLY IDENTIFY THE ADVERTISING CONTENT OF INFLUENCERS?



The advertising nature of the mentions made by influencers or the digital content published by them, which are of an advertising nature, must be **IDENTIFIABLE** for their followers.



If the advertising nature **IS NOT EVIDENT** regarding the mention or the digital content:

SPONSORED BY
ADVERTISING

The Code encourages the use of plain generic indications such as "publicidad" (advertising), "publi" (ad), "en colaboración con" (in collaboration with) or "patrocinado por" (sponsored by), or alternatively descriptive indications based on the specific collaboration in question (e.g., "Embajador de [brand]" (Ambassador for), "Gracias a [brand]" (Thanks to), "Regalo de [brand]" (Gift of), "Viaje patrocinado" (Sponsored trip), etc.).

INFORMATION
LEGAL

Generic indications (such as "informacion", "legal" or similar), indications that require action by the user (e.g., clicking), and unclear indications (such as "Collab", "Sponso" or "sp") are discouraged.

The indication regarding the advertising nature of the mentions or content should be kept or added when the influencer **shares or "reposts" the content** subject to this Code in other social networks, platforms or websites.






5 CODE GUIDELINES FOR THE USE OF THE LABEL (OR "TAG")

The Code does not impose a specific type of advertising tag, but it does highlight the need for it to be: *"explicit, immediate and appropriate to the medium and message"*. Therefore:

- The user **should not** have to take any additional action to be aware of the advertising nature of the message at issue (e.g. the user cannot be forced to click on a part of the message or have to browse through the content of the message before seeing the tag).
- The tag **cannot be** diluted among the rest of the mentions of the advertising content.

The Code contains an illustrative list, according to the formats of the different social media, of the suggested location to identify mentions or advertising content:

RECOMMENDED LOCATION FOR IDENTIFICATION OF ADVERTISING MENTIONS OR CONTENTS

-  **Blogs:** Include the identifying word or label in the title of the post.
-  **Instagram:**
 - Include the identifying word or label in the title above the photo or at the beginning of the text displayed.
 - If only one image is displayed, the image must include the identifying word or label at the beginning of the message.
 - The advertising tag established by the platform ("Paid partnership tag") may also be used.
-  **Pinterest:** Include the word or identifying label at the beginning of the message.
-  **Twitter and Snapchat:** Include the identifying word or label in the body of the message as a tag.
-  **Vlogs, Youtube, Twitch and other video platforms:** Overlay the identifying word or label while commenting on the product or service or indicate it verbally before talking about the promoted product or service.

6 PRIOR INTERNAL CONTROL AND COPY ADVICE®

- a Companies shall establish internal control measures aimed at ensuring compliance with the ethical standards contained in the Code.
- b In case of doubt about the legal or deontological accuracy of an advertising mention or advertising content, it will be possible to submit any doubts to the Technical Consulting Office of Autocontrol to be reviewed, through the system of prior, voluntary, confidential and non-binding consulting (*Copy Advice*).

7. WHAT BODY WILL BE IN CHARGE OF RESOLVING CLAIMS ARISING UNDER THE CODE?

The Autocontrol Advertising Jury will be in charge of resolving the eventual claims that could be filed due to the non-compliance of the ethical rules contained in the Code. These resolutions will be public.

8 EX-POST CONTROL: MONITORING

Autocontrol may carry out monitoring exercises to evaluate the level of compliance with the rules contained in the Code by the companies and *influencers* that adhere to it, if the AEA and Autocontrol deem necessary.



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