

Ad Standards is responsible for the accountability component of the Digital Advertising Alliance of Canada AdChoices Program

AdChoices Accountability Program

2023 Compliance Report

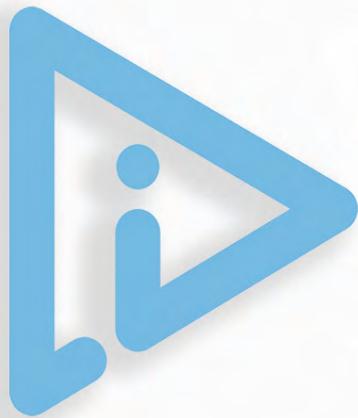


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Introduction

Advertising Standards Canada (Ad Standards) is pleased to continue its support of the Digital Advertising Alliance of Canada (DAAC) and the AdChoices Program (AdChoices). This is our ninth annual AdChoices Accountability Program Compliance Report.

AdChoices arose from the industry's recognition that it is best positioned to understand and address the implications of advertising technology on consumer privacy, and to develop solutions to address consumer privacy concerns. The companies participating in AdChoices (Participants) have agreed to abide by the DAAC's Self-Regulatory Principles for Interest-Based Advertising (the Principles). These Principles were updated in October 2022 and became the basis for compliance for the first time beginning in 2023. They are available at youradchoices.ca/en/principles. These Principles replace the DAAC's Self-Regulatory Principles for Online Behavioural Advertising that applied to compliance through to the end of 2022. The current Principles, like their predecessor, help ensure that consumers are adequately informed of the collection and use of data for Interest-Based Advertising (IBA) purposes, and that they can exercise choice regarding this collection and use. Along with the updated Principles, there was a new requirement in 2023 for Participants to self-attest to their adherence to several of the Principles that cannot be proactively audited by Ad Standards. This self-attestation requirement turns Participants' attention to these Principles and ensures adherence. Participants who did not submit the completed Accountability Self-Certification Form (the Self-Attestation Form) are deemed to be non-compliant under the program.

Ad Standards works at an arms-length from the DAAC to independently monitor the compliance of Participants with the Principles, and we report on the compliance of all Participants annually. Ad Standards also continues to respond to questions and complaints from the public about IBA-related activities.

Compliance with the Principles remained almost unchanged in 2023. There was a drop in overall compliance, but this was attributable almost entirely to the addition of the new requirement to return completed Self-Attestation Forms.

We note the prevailing receptiveness of Participants to Ad Standards' suggestions and direction toward improvement in their IBA practices in the spirit of the Principles. This report provides the results of Ad Standards' monitoring efforts of Participant compliance on both website and mobile apps as well as their completion of the Self-Attestation Form requirement. It also reports upon the consumer complaints received by Ad Standards related to IBA.



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2023 Findings – Overview and Methodology

Ad Standards reviews Participant websites and mobile apps to evaluate compliance with the Principles, focusing on the Notice & Transparency and Consumer Control mechanisms in place. These reviews include examining the websites and apps in detail, and monitoring the collection and use of data for IBA purposes. Ad Standards uses cookie viewers and other technical tools to analyze data collection relating to IBA. In addition, Ad Standards reviews privacy policies and other similar statements, and tests any control tools presented to the consumer.

In the case of mobile apps, Ad Standards relies upon Participants to answer, diligently and accurately, inquiries regarding mobile app practices, and to what extent it discloses information to Third Parties for IBA purposes. This is because mobile apps tend to have stringent security restrictions that make it difficult to determine where data is being sent. Participants with websites and mobile apps are assessed based on overall compliance of both the websites and apps.

In addition, Ad Standards requires Participants to complete and return a Self-Attestation Form that asks for confirmation of practices related to a number of topics as they relate to IBA, including: cross-device tracking; maintaining updated links to third party opt-outs; the level of consent sought for collection and use of sensitive information; collection of personal information from children; ensuring companies that Participants work with are aware of their commitment to the Principles; internal training about DAAC compliance to relevant staff; education of the public related to the AdChoices program and IBA; and, data security protocols.

We use the term “compliant” in this report to indicate where Participants meet the basic requirements required by the DAAC Principles (notice of IBA activity, Above the Fold Enhanced Notice, an Opt-Out Mechanism and returning the Self-Attestation Form). The term “substantially compliant” in this report indicates compliance with the DAAC Principles however, *either* the Notice was not ‘above the fold’ (despite being easily found in the footer), *or* the DAAC adherence sentence was misspelled (i.e. it referenced the DAA and not the DAAC). While substantial compliance does not amount to full compliance with the AdChoices requirements, it is useful to note how close the Participant came to achieving adherence. Similarly, this report includes an overview of the determination on non-compliance as a result of a failure to return the Self-Attestation Form. If Ad Standards notes a potential compliance issue, we work cooperatively with the Participant involved on corrective action.

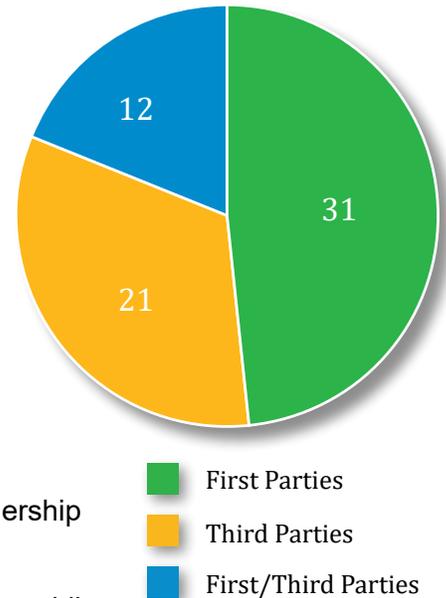
In 2023, Ad Standards reviewed 64 Participants: 31 First Party Participants, 21 Third Party Participants, and 12 Participants who traditionally qualify as both First Parties and Third Parties. These reviews were conducted between January and December of 2023. There are three new Participants who joined in 2023. New Participants are not audited in the first calendar year that they join the program as they work towards achieving compliance.

A summary of the Principles, as well as the complete Principles used in Ad Standards’ compliance review for 2023, is provided at [Appendix A](#) of this report. A glossary of capitalized terms used in this report is available at [Appendix B](#).

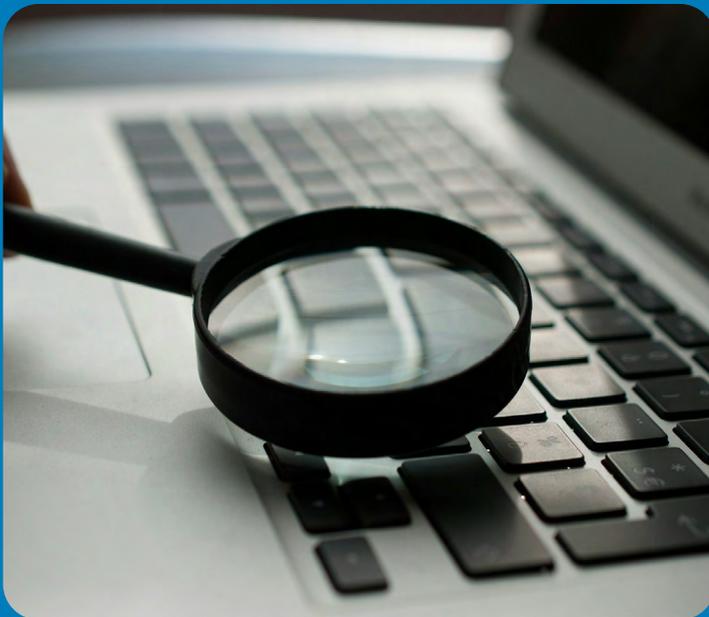
Compliance – Review of Findings

Websites (including desktop and mobile websites) continue to remain the key source of IBA activity among Participants. In 2023, Ad Standards reviewed 64 Participants' websites:

- **Thirty-one (31) Participants** classified as First Parties;
- **Twenty-one (21) Participants** classified as Third Parties;
- **Twelve (12) Participants** classified as Third Parties who were also found to be acting as First Parties on their own corporate websites;
 - Although typically classified as Third Parties, these Participants also act as First Parties on their corporate websites. In other words, other Third Parties are collecting and using data on these corporate websites, usually by virtue of having some form of partnership or data-sharing agreements with these other companies.



In addition to websites, **22 Participants** engaged in IBA activity using their mobile apps, which were also reviewed by Ad Standards¹.



Did You Know?

Ad Standards acts at an arms length from the DAAC to monitor Participants for compliance with the Principles. We also support the onboarding and education of new Participants, and work cooperatively with Participants to affect compliance.

Ad Standards also accepts and responds to complaints about practices that may not comply with the Principles. Where possible, we will help to educate the public about IBA, the Principles, and even assist them in navigating opt-outs or direct them to the right source to answer their inquiry or issue.

¹ The 2022 Report indicated that 48 of the Participants had mobile apps. This number was an error as the 48 inadvertently included both those Participants that had mobile apps as well as those Participants that advised users on how to deal with IBA on mobile devices. The 2023 Report indicates the number of Participants that actually have mobile apps (17 First Party; 2 Third Party; 3 First Party/Third Party).

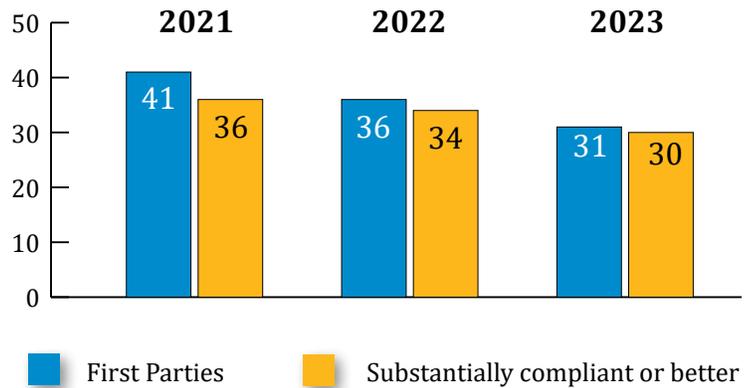
First Party Participants

Almost two-thirds of the First Party Participants in the AdChoices Program are compliant with the new AdChoices’ requirements. Of the eleven First Parties identified as non-compliant, all but one were at least substantially compliant and respected the Principles. They fell short of substantial compliance solely by failing to return the completed Self-Attestation Form. The only First Party that was non-compliant with the Principles still showed their engagement with the program by returning the Self-Attestation Form. As a result, in terms of compliance with the Principles that Ad Standards is able to audit on its own (without the Self-Attestation Form), **the vast majority of First Parties (30 of 31) are compliant**. The one First Party Participant that is not compliant with the Principles has assured Ad Standards that it will develop a plan to come into compliance.

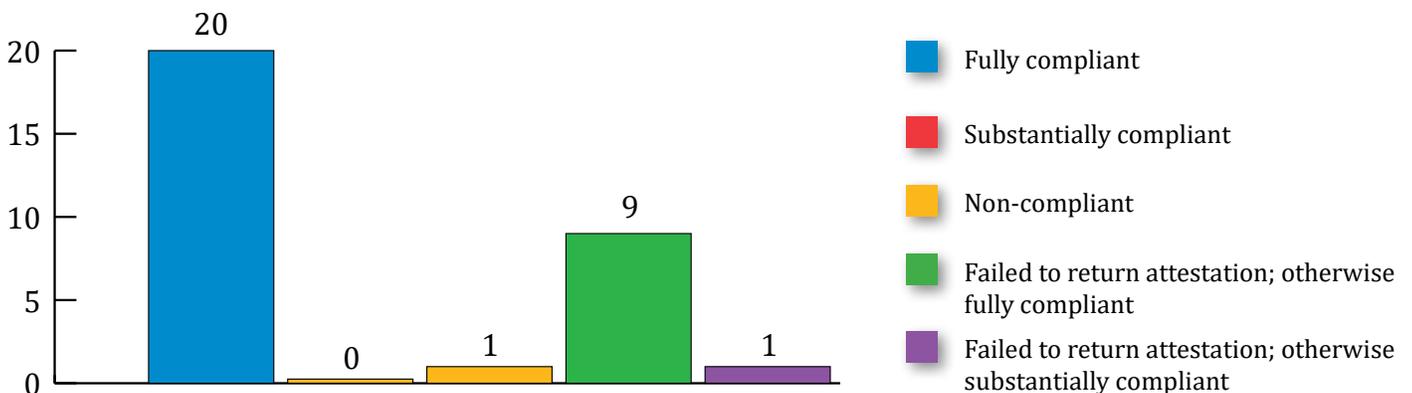
The following is a summary of First Parties’ compliance status at the end of 2023:

Twenty (20) of 31 First Parties demonstrated compliance with AdChoices requirements. This is a marked decrease from compliance in previous years. However, the vast majority of the Participants that were not compliant was the result of a failure to return the Self-Attestation Form. Based on adherence to the Principles alone, **30 of the 31** would be substantially compliant or better – including **17 of the 31** who have mobile apps in addition to their websites, all of which were at least substantially compliant with the Principles.

First Party Compliance based only on the Principles



First Party Compliance Overview in 2023



First Party Compliance Reminder

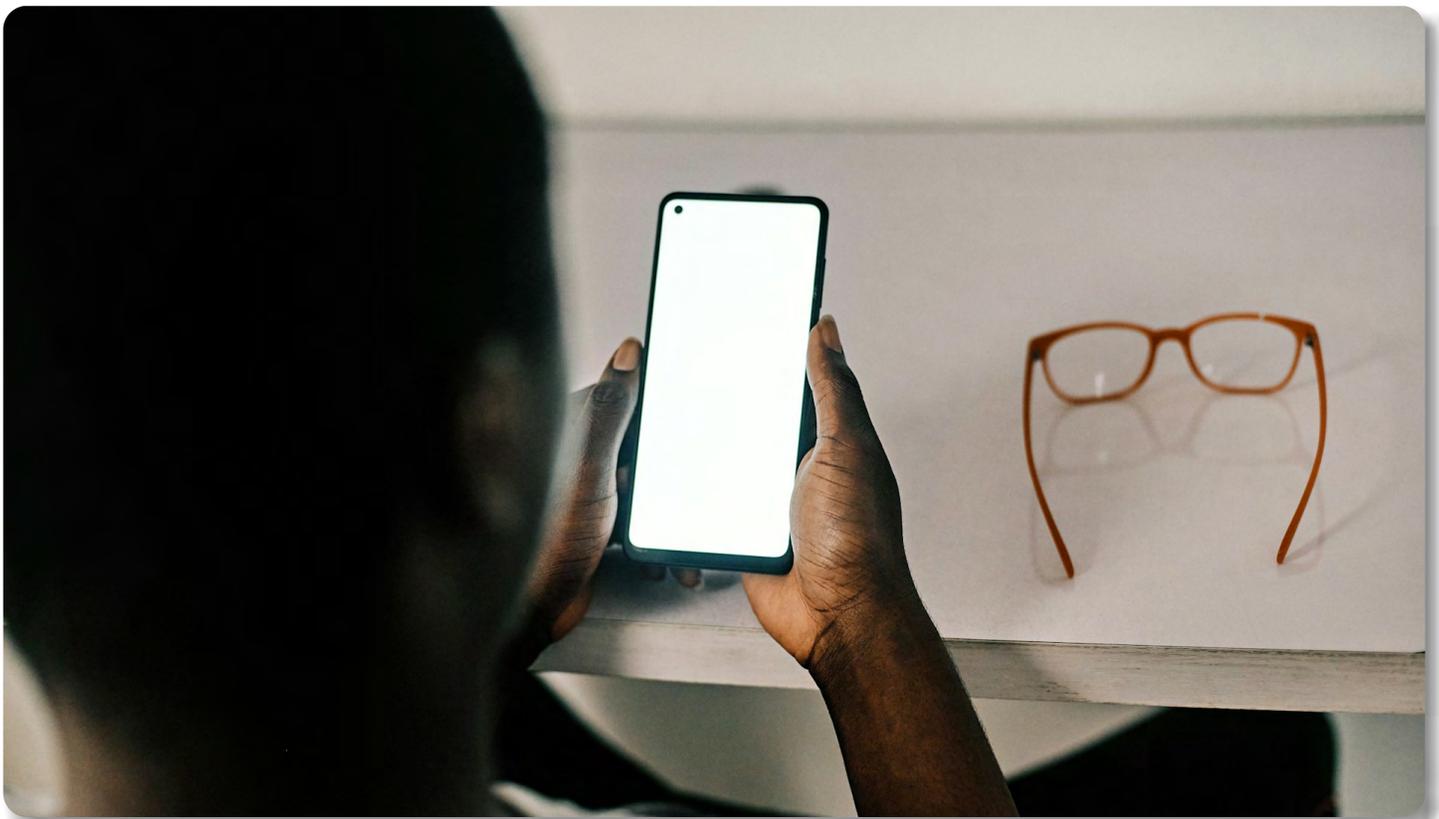
Enhanced Notice: Consumers should be able to click or tap on Enhanced Notice, bringing them to a disclosure with more information about IBA. In assessing compliance with the Principles, Ad Standards typically looks for Enhanced Notice to appear above the fold. It could also be implemented using a banner or pop-up, or in some other way that comes to users' attention before they interact with the site or app.

The disclosure may be a stand-alone statement or link to the relevant section of the applicable privacy policy describing adherence to the DAAC Principles. Consumers should understand from the statement what information is being collected (e.g. information about browsing activity on websites, activities across apps, etc.), who it is being disclosed to (e.g. Third Party companies), and what it is being used for (e.g. to serve more relevant online ads).

The disclosure must also confirm that opting out is possible, and link to an opt-out tool.

Participants must fully complete and return the Self-Attestation Form. As demonstrated by the numbers on the previous page, almost one-third of Participants who would have otherwise been considered compliant are deemed non-compliant because of failure to return the form.

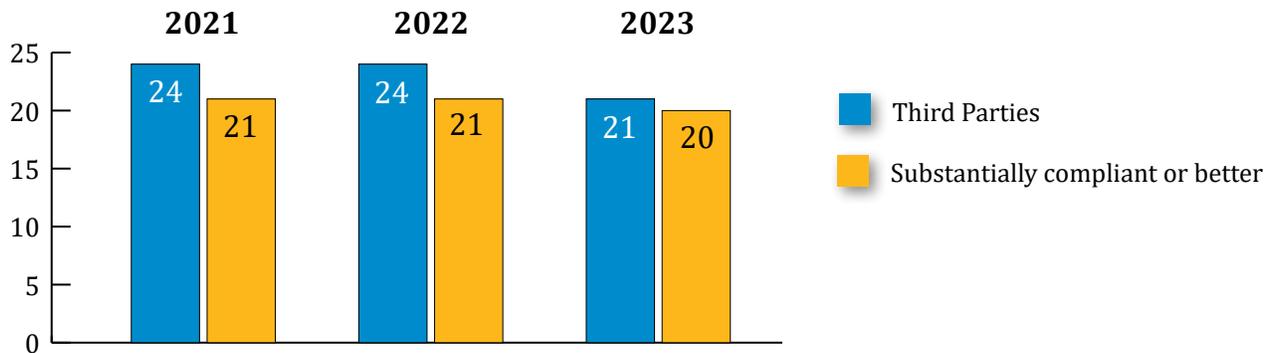
See more compliance tips at [Appendix C](#).



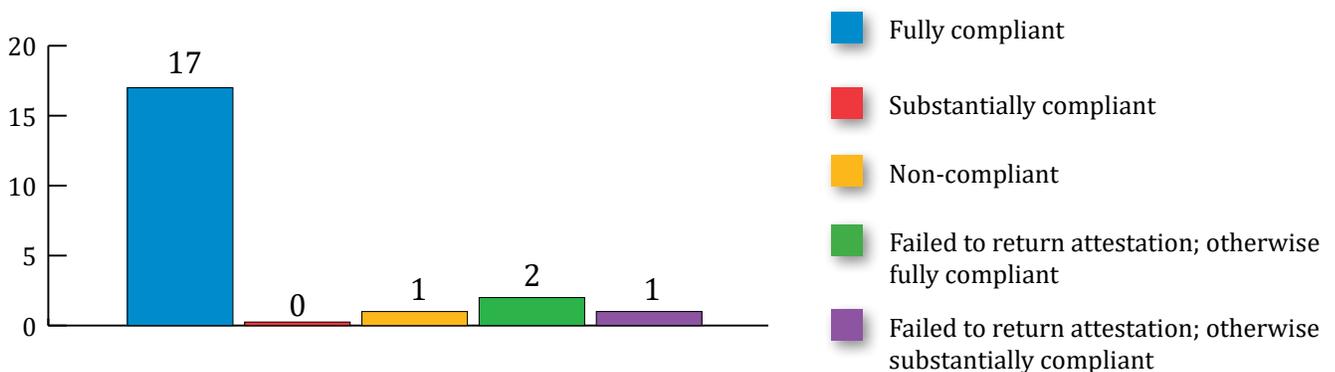
Third Party Participants

The vast majority (**17 of 21**) of **Third Party Participants** reviewed in 2023 are fully compliant, including **two of those 17** who also have mobile apps. Three more Third Party Participants would have been considered compliant (two fully compliant and one substantially compliant) had they submitted their Self-Attestation Forms. A total of **20 of the 21** Third Party Participants are compliant based on adherence to the Principles alone. Only one Third Party Participant was non-compliant with the Principles despite having returned the Self-Attestation Form, demonstrating their engagement with the program. The non-compliant Participant has assured Ad Standards that it will undertake steps to achieve compliance.

Third Party Compliance based only on the Principles



Third Party Compliance Overview in 2023



Here are some easy ways for Participants to exceed compliance with the Principles:

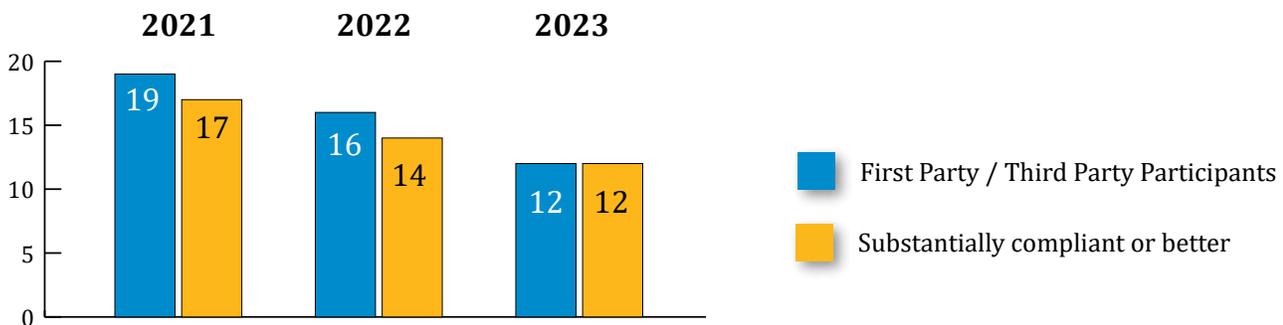


- Use infographics to explain how you collect and use people’s browsing data for IBA purposes on your site;
- Use simple language to explain all the ways that interest-based preferences are captured and used;
- Keep in mind that how Interest-Based Advertising works is a highly complicated concept for most people. Try to make it as digestible and understandable as possible.

First Party/Third Party Participants

Twelve (12) Participants reviewed in 2023 are Third Parties, but also operate as First Parties on their corporate websites.

All of the these Participants were found to be compliant on their websites in their capacity as Third Parties, by giving clear notice of their IBA practices, and a means to opt out of data collection and use from their own platforms for IBA purposes. **Ten were fully compliant** with the Principles (two of which also have mobile apps that are fully compliant) and **two were substantially compliant** (one of which has a mobile app that is fully compliant).



Reminder to Third Parties Operating as First Parties

Most Participants in the business of operating SSPs, DSPs, Ad Exchanges, and other ad technology platforms typically enter the AdChoices Program with the understanding that they are Third Parties under the Principles. In order to maintain the integrity of the Program, however, it is important that Third Parties' websites also abide by First Party requirements, if acting as such on their own corporate websites.

When Third Party Participants allow other Third Parties on their websites to collect and use people's browsing data for IBA purposes, they become First Parties under the Program. Although these websites may not be oriented towards the average consumer, the fact remains that consumers who enter onto these websites would be subjected to data collection and use from other Third Parties.

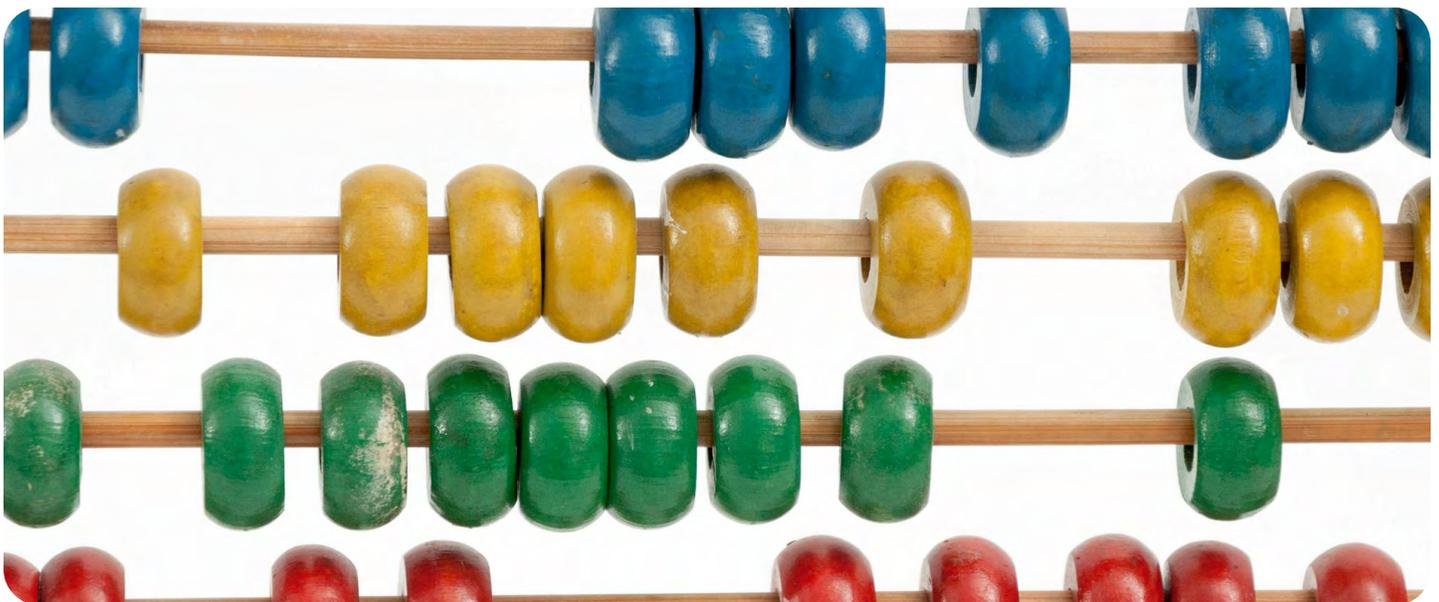
This means that, in addition to providing notice about the ways in which their technology platform uses data for IBA, and a means to opt out of the platform, these Third Parties must also provide:

- **Notice** of IBA practices as they relate to disclosing data to other third parties for IBA purposes on the website.
- **Enhanced Notice** at the website level: an above-the-fold link, in the form of the AdChoices Icon and text, or within a cookie banner, that immediately informs the consumer of IBA activity, and directs them to a fulsome disclosure about IBA practices on the website.
- **Opt-Out Mechanism** for all Third Parties who collect or use data, via the website, for IBA purposes (rather than an Opt-Out Mechanism that applies only to the Participant's technology platform), whether by developing a tool internally, using an approved provider, or linking to the DAAC WebChoices tool.

Did You Know?

In 2023, Ad Standards began requiring each Participant to complete a Self-Attestation Form regarding its practices related to compliance with the updated Principles. Submission of the completed form is part of the compliance requirements for Participants.

This was the first year that returning the Self-Attestation Form was mandatory. **Fifty-one of the 64 Participants (80 percent)** completed and returned the form. This includes two Participants (one First Party and one Third Party) that were otherwise not in compliance with the Principles. Eleven of the Participants that failed to return the form were otherwise fully compliant with the Principles (nine First Party and two Third Party), and two were substantially compliant with the Principles (one First Party and one Third Party).



Tips for Completing the Self-Attestation Form

- When completing the form, keep in mind that all of these questions pertain to Principles that are not easy to independently audit. Ad Standards requires this information to confirm compliance with the Principles.
- The questions in the form only relate to the Participant's interest-based advertising practices and should be answered from that perspective.
- Ad Standards is happy to help answer any questions that you may have when completing the form. Contact adchoicescan@adstandards.ca.

2023 Consumer Complaints

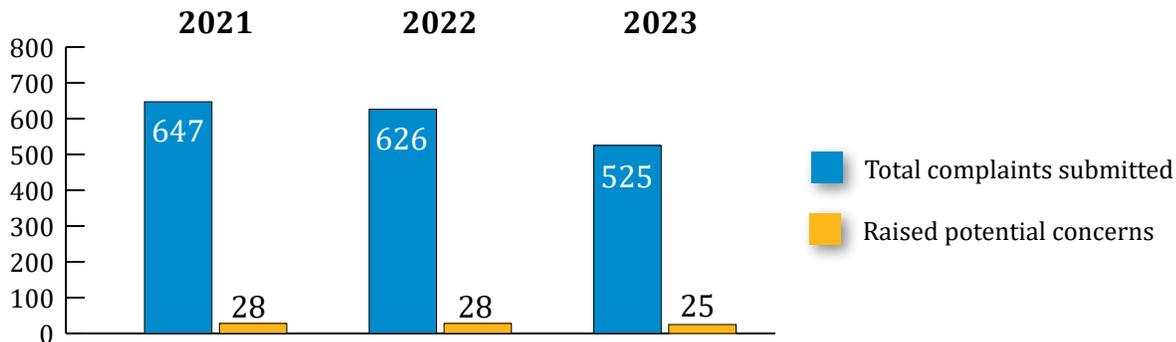


Ad Standards accepts and investigates the complaints it receives regarding possible non-compliance with the Principles. Ad Standards reviews each complaint and determines whether there is sufficient evidence to pursue an investigation. Where the complaint involves a Participant, and there is evidence of non-compliance with the Principles, Ad Standards works with the Participant to remedy the issue. Where the complaint involves a non-participant, and where there is evidence of a breach of the Principles, Ad Standards informs the non-participant of the complaint.

From January to December 2023, Ad Standards received **525 consumer complaints** for review under the AdChoices Accountability Program. This amounts to just **over one hundred fewer** complaints received than the previous year. As with previous years, the vast majority of these complaints do not relate to IBA, or to the AdChoices Program whatsoever. Again in 2023, **no complaints** were received about the use of sensitive personal information for IBA purposes. A breakdown of the types of complaints received can be found below.

IBA Related Complaints

Of the total number of complaints submitted to Ad Standards, only 25 of 525 raised potential IBA concerns, which is fairly consistent with the prior two years.

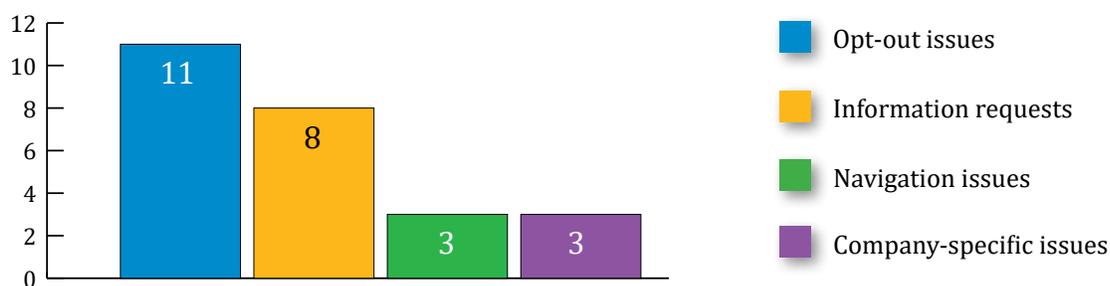


This year, nearly half of all IBA-related complaints (**11 of 25**) related to difficulties opting out of IBA. Most often, this issue relates to an opt-out not functioning for all Participants in a given request when using the DAAC WebChoices tool or one of its trusted partners' tools. Complainants were advised to simply re-try using the tool, as sometimes a temporary technical error may result in an incomplete opt-out.

The next largest category of complaints (**8 of 25**) were essentially information requests related to the AdChoices program. Ad Standards responded providing complainants with the information they were seeking.

Three of the complaints (**3 of 25**) related to the complainant having a hard time navigating a Participant's website in order to find the appropriate place to opt out. These complainants were guided with information on how to find the necessary links. All of these cases were reported back to the Participant so that they could make appropriate changes.

The remaining three complaints (**3 of 25**) related to issues related to Participants' practices, such as concerns about advertising appearing within email feeds (not targeted emails, but rather email space purchased within an email feed), as well as concerns related to personalized ads linked to logged-in profiles on various platforms.



Non-IBA Related Complaints

Of the 525 total complaints received, **176** of those that could be investigated appeared to be unrelated to IBA, and therefore did not raise concerns under the DAAC Principles.

Most of these complaints related to a desire to eliminate advertising from online activity entirely (**120**), or stemmed from issues regarding general opt-out requests unrelated to IBA (**44**).

The largest subset of the remaining complaints in this category (**8**) referenced advertisements with content they found to be distasteful or inappropriate. Where possible and appropriate, these complaints were directed to Ad Standards' Consumer Complaint Procedure and the *Canadian Code of Advertising Standards*.



Unable to Pursue / Other

Similar to last year, more than sixty percent of all complaints (**324 of 525**) were those that Ad Standards was unable to pursue or that were completely unrelated to advertising altogether. In most cases, this was due to a lack of information provided by complainants, even following Ad Standards' best efforts to request additional information (**180**). In other cases, the complaints were irrelevant or unanswerable by reason of being duplicative, unrelated to advertising-related matters (such as those that were spam, about hacking/identity problems, etc), or appeared to relate to matters or consumers outside of Canada. Where complaints fell outside of Ad Standards' jurisdiction, the complainants were redirected to the appropriate authority, where possible.

Conclusions

Ad Standards commends the Participants for their continued compliance efforts, and thanks them for their diligence and responsiveness to our inquiries. We are pleased to see this positive result from our annual touch points with the Participants, and their commitment to the program.



Further, Ad Standards is committed to supporting and educating Participants about the role of the Self-Attestation Form in compliance with the program, to help improve return rates of the forms next year.

For additional information and resources for the public and industry, please see adstandards.ca/about/ad-choices-accountability-program and youradchoices.ca.

Appendix A – Summary of the DAAC Principles

The following is a summary of the DAAC Canadian Self-Regulatory Principles for Interest-Based Advertising under which the Participants' compliance was assessed.

Education

Participate in efforts to educate about online interest-based advertising.

Notice & Transparency

Clear, meaningful, and prominent notice should be given to consumers about data collection and use practices associated with online interest-based advertising.

Consumer Control

Provide consumers with an ability to choose whether data is collected and used for online interest-based advertising purposes.

Data Security

Provide appropriate security for, and limited retention of, data collected and used for online interest-based advertising purposes.

Sensitive Data

Do not collect personal information for interest-based advertising purposes from children under the age of 13 or from sites directed to children under the age of 13, unless such collection and other treatment of personal information is in accordance with Canadian privacy legislation.

Entities are also prohibited from collecting or using sensitive personal information for interest-based advertising purposes without consent.

Accountability

Under the Accountability principle, Ad Standards, an independent advertising self-regulatory body, monitors companies participating in the AdChoices self-regulatory program for compliance with these principles, and works cooperatively with them to affect compliance. Ad Standards also accepts and responds to complaints about practices that may not comply with the principles.

Appendix B – Glossary of Terms

Above the Fold

The placement of Enhanced Notice in a location on a website or app that is immediately visible, without requiring the user to scroll or navigate.

AdChoices Icon and Text

The icon licensed by the DAAC, with accompanying words “AdChoices” or “Choix de pub”, that can be used as Enhanced Notice or In-Ad Notice, to inform consumers of IBA activity on a website or mobile app.



Cross-App Data

Data collected from a particular device regarding application use over time and across other applications for the purposes of delivering Interest-Based Advertising in an application. Cross-App Data does not include Precise Location Data or Personal Directory Data.

Enhanced Notice

Clear, meaningful, and prominent notice of IBA activity, most often implemented by displaying the AdChoices icon and text “above the fold” on a website or mobile app, though sometimes implemented by way of a banner or pop-up notification that informs the user of IBA activity. Links to further information about IBA, and how to opt out.

First Party/ies

A First Party is a Participant in AdChoices that operates or controls a website with which the consumer interacts, and that allows Third Parties to collect and use consumer data via its website.

In-Ad Notice

Notice of IBA that is found within the corner of an advertisement, by way of displaying the AdChoices icon and text (ie. informing the user that the ad being delivered may be interest-based).

Interest-Based Advertising (IBA)

The collection of data online from a particular computer or device regarding web browsing activity, or activity on mobile apps, for the purpose of using such data to predict user preferences or interests, and to deliver advertising based on the preferences or interests inferred from such browsing activity and/or app activity.

Opt-Out Mechanism

A tool or other means by which a consumer is enabled to opt out of the collection and use of their data for IBA purposes.

Personal Directory Data (PDD)

Calendar, address book, phone/text log, or photo/video data created by a consumer that is stored on or accessed through a particular device and obtained for the purposes of delivering Interest-Based Advertising in an application.

Precise Location Data (PLD)

Data obtained from a device about the physical location of the device that is sufficiently precise to locate a specific individual or device for the purposes of delivering Interest-Based Advertising in an application.

Third Party/ies

A Third Party is a Participant in AdChoices who engages in Interest-Based Advertising (IBA) on a First Party's website or mobile app – in other words, advertising networks and data companies that collect web-viewing or app data across multiple sites and/or apps and use such data to serve online Interest-Based Advertising.



Appendix C – How to Achieve Compliance: Best Practices for Participants

Companies have many laws and regulations to turn their attention to, and often multiple jurisdictions to consider when making changes to their websites and mobile apps. It requires an ongoing effort to create websites and apps that provide a favourable experience to the consumer, are well-designed, promote their products and services effectively, and meet all of their legal, regulatory and self-regulatory obligations.

Below are a few points that Participants should keep in mind when building or updating websites and apps, implementing Opt-Out Mechanisms, and updating privacy and technology policies:

- Ad Standards encourages Participants to carefully review their implementation of the program requirements, and thoughtfully consider how to optimize the user experience by using layered notices, and easy-to-understand wording in their preferred language based on the user’s browser’s language setting.
- It is important for First Parties to ensure that their Opt-Out Mechanisms are functional and kept current with opt-outs for all Third Parties collecting and using data for IBA purposes on their websites or apps. First Parties should have a system or schedule in place to ensure that this is reviewed on a periodic basis, or monitored and updated continually.
- Participants using external service providers to create and monitor Opt-Out Mechanisms should work with these service providers to find innovative ways to create a clearer and simpler experience for the consumer. Many Opt-Out Mechanisms require multiple steps to opt-out, or may cause confusion to the consumer about their opt-out status. It is important to carefully assess the user-friendliness of the opt-out experience.
- Participants would be well-served to ensure that one or more of their staff are assigned to handle AdChoices compliance, and depending on available resources, consider forming a team of people who have experience in all areas that may be impacted: privacy, legal, marketing, UI/UX, and website/software development.
- In some cases, Ad Standards will ask Participants to provide information about its practices that cannot efficiently or reasonably be procured without the Participants’ help. It is important for Participants to investigate diligently and answer the questions posed by Ad Standards, in order to allow Ad Standards to monitor compliance effectively, and preserve the integrity of the program. Participants should ensure that the information they provide to Ad Standards is comprehensive and accurate.
- In order to better understand their AdChoices obligations, Participants can:
 - Review the Principles regularly;
 - Read supplementary guidance released by DAAC;
 - Contact Ad Standards anytime to discuss potential changes to their websites and mobile apps, and how these changes might affect their compliance with AdChoices.

About Ad Standards

Ad Standards is the self-regulatory body for Canada's advertising industry. Through member support and cooperative industry initiatives, we build public confidence in advertising by helping ensure ads, in all media, are truthful, fair and accurate. We administer the *Canadian Code of Advertising Standards*, which sets criteria for acceptable advertising, and provides a mechanism for adjudicating and resolving consumer complaints and competitive disputes. We also review advertising creative and offer consultative services to help ensure compliance with relevant laws, regulatory guidelines and industry codes. Our collaborative relationships with Canadian regulators and global self-regulatory organizations provide a diversity of valuable insights, which inform our initiatives and goals.

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