**David Cohen**
Chief Executive Officer
Interactive Advertising Bureau
116 E. 27th Street, 7th Floor
New York, NY 10016
212-380-4704

iab.

**IAB BOARD OF DIRECTORS**
**CEO's Report**
**February 9, 2021**
By David Cohen

One of the things I love about our industry is that we are a wonderfully determined bunch. From the dawn of digital until today, despite countless moments of growing pains, we have kept on pushing.

This moment, the Great Reset, is full of critical and permanent changes in everything from consumer behavior, to measurement and attribution, to what advertising is, how it works, and beyond.

Every one of those challenges is happening after a year when we faced the deadliest public health crisis in our lifetime, a country that at times seems hopelessly divided, and an economy fraught with uncertainty.

Yet time after time, while others retreated, we digital pioneers forged ahead; we knew that the future always wins.

History shows the wisdom of that approach. In the depths of the Great Depression, the companies that retreated into their bunkers didn't fare nearly as well as the companies that doubled down on innovation efforts.

At the beginning of the Great Depression — at a moment when no one knew when the pain might end — DuPont refused to cut R&D. They kept pushing and invented Neoprene. It stunk to high heaven. It was too expensive to be a big commercial success. DuPont forged ahead to improve it, to build something big for the better future they knew was coming. Today, nearly 100 years later, Neoprene remains a key DuPont product line, appearing everywhere from laptop sleeves to orthopedic wrist braces, to fan belts in cars.

Similarly, in early 1929, Radio Corporation of America (RCA) invested in television. When the stock market crashed in October, I'm sure terrified executives pleaded with David Sarnoff to cut funding. Undaunted, in 1930 RCA made a huge bet to occupy the yet-to-be-constructed 30 Rockefeller Plaza and kept investing in television. They kept building for a future they knew was coming.

Investing is what leaders do to win the future. When the going gets tough, the tough innovate to win. In the 2011 book "A Great Leap Forward: 1930s Depression and U.S. Economic Growth" from Yale University Press, author Alexander J. Field argues that the historical focus on what went catastrophically

David Cohen
Chief Executive Officer
Interactive Advertising Bureau
116 E. 27th Street, 7th Floor
New York, NY 10016
212-380-4704

iab.

wrong entirely misses what went incredibly right: the years between 1929–1941 were, in the aggregate, the most technologically progressive of any comparable period in U.S. economic history.

Our Great Reset is happening now, as we are on the cusp of emerging from one of the most challenging times in American history.

> Imagine what we can do if we choose to keep building for a future we know is coming.

> Imagine what we can do if we aggressively innovate identity solutions with consumer privacy at the core, architect the future of addressability, leverage cross-screen measurement and attribution, clean up our supply chain and invest in diversity to get the best ideas possible from the widest variety of people.

> Imagine the growth ahead if we make this the most technologically progressive period in digital marketing history. Work together, take risks, push boundaries.

> We can do it.  We should do it.  Let us start today.

The following represents the most significant work we have accomplished since our November Board Meeting:

- The **2020 IAB Brand Disruption Summit** virtually convened a record number of brands and agencies to address rapidly changing consumer trends and purchasing behaviors and provided keys to thriving in the post-COVID economy. We shared critical insights and led the conversation about how savvy brands are responding.

- Also, part of the Brand Disruption Summit was the first **IAB Policy Summit**, featuring keynote speakers from Congress, the FCC, CNN, and a conversation with the architect of CCPA.

- IAB Tech Lab's Project Rearc and the **Partnership for Responsible Addressable Media (PRAM)** gained momentum with PRAM's call for code contribution and the first response from The Trade Desk with Unified ID 2.0 code for consideration. Efforts are now underway to develop the next generation of privacy-driven addressability solutions.

- We ended the year with our final **COVID Impact Study**, which provided real-time insights and trends driving our 2021 outlook.

David Cohen
Chief Executive Officer
Interactive Advertising Bureau
116 E. 27th Street, 7th Floor
New York, NY 10016
212-380-4704

iab.

**Changes that Shape our Future: Experience Center | Brand Disruption and Diversity & Inclusion**

| Campaign | Initiative | Description |
|---|---|---|
| Brand Disruption | 2020 IAB Brand Disruption Summit (November 9-11) | The third annual IAB Brand Disruption Summit was a three-day virtual summit convening industry thought leaders to share insights, ideas, best practices, and new research about how to thrive in the post-COVID economy. |
| Brand Disruption | Brand Disruption 2021: IAB Annual Report on the Evolving Consumer Ecosystem | The Brand Disruption 2021 Study explores how brands of all sizes are innovating to address disruption accelerated by COVID and social unrest. Months of quarantine have accelerated the U.S. transition to a "storeless" Direct Brand Economy five times faster than pre-pandemic rates. |
| Brand Disruption | IAB 250 Direct-to-Consumer Brands to Watch: COVID Impact Report | The IAB 250 COVID Edition explored how the most forward-thinking direct-to-consumer brands navigated 2020. IAB 250 Direct Brands to Watch list highlighted success stories, pivots, and operational changes to build case studies all brands can learn from. |
| Diversity & Inclusion | IAB Inclusion Institute: Talent Development Council | 2020 ended, but social injustice has not. To lead this change and bolster DEI initiatives in the digital media ecosystem the IAB Inclusion Institute (launched in September 2020) added a new Talent Development Council for leaders in talent development roles to connect. |

**The Central Role of Data: Programmatic+Data Center | The Future of Addressability, The Measurement Imperative, and Privacy Now**

| Campaign | Initiative | Description |
|---|---|---|
| The Future of Addressability | Calling on industry contribution for addressability solutions through | IAB Tech Lab is serving as the Technology Standards Working Group within the Partnership for Responsible Addressable Media (PRAM): |

David Cohen
Chief Executive Officer
Interactive Advertising Bureau
116 E. 27th Street, 7th Floor
New York, NY 10016
212-380-4704

iab.

|  |  | 1. In January, PRAM invited the advertising and media industry to contribute code for collaborative development of addressability and accountability standards and solutions.<br>2. The Trade Desk announced the first contribution: the submission of Unified ID 2.0 (UID2) code.<br>3. We encourage submission of additional addressability and privacy-driven solutions and components for consideration. |
|---|---|---|
|  | the Partnership for Responsible Addressable Media (PRAM) Accepting Unified ID 2.0 (UID2) for Long-term Industry Value |  |
| The Future of Addressability | PRAM Community Update (December 18) | IAB Tech Lab participated in a community update by the Partnership for Responsible Addressable Media (PRAM) to discuss progress and next steps to create a unified framework for addressability, and plans for the rollout of new principles, standards, and guidance in 2021. |
| The Future of Addressability | IAB Tech Lab's Content Taxonomy 2.2 for Increased Brand Safety & Suitability | Released in December, the Content Taxonomy 2.2 provides a common language to help third-party verification vendors and publishers identify content so advertisers can decide if it's appropriate for their ads. IAB Tech Lab worked closely with the Global Alliance for Responsible Media (GARM) to create the update. Our shared goal is to create a safer digital environment. |
| The Measurement Imperative & Audio Everywhere | Podcast Measurement Technical Guidelines 2.1 in Public Comment | In December, IAB Tech Lab released the Podcast Measurement Technical Guidelines 2.1 for public comment. The Podcast Measurement Technical Guidelines are standard metrics for both content and ads to provide marketplace clarity through a common language for measurement. The public comment period was extended until February 12. |
| The Measurement Imperative | Open Measurement SDK (OM SDK) for Video | IAB Tech Lab's Open Measurement SDK (OM SDK) is now available for web video advertising. This allows publishers and video players to offer a single, consistent, and scalable solution to measure impressions and viewability. This web video expansion will enable advertisers to use one VAST (Digital Video Ad Serving |

**David Cohen**
Chief Executive Officer
Interactive Advertising Bureau
116 E. 27th Street, 7th Floor
New York, NY 10016
212-380-4704

iab.

| | | Template) tag to measure all their video ads as opposed to having separate measurement tags per platform. |
|---|---|---|
| The Measurement Imperative | IAB Tech Lab OMSDK Compliance | IAB Tech Lab explained how to submit your mobile app to the IAB Tech Lab for Open Measurement SDK (OM SDK) compliance program and how to fast-track certification. |
| Privacy Now | 2020 IAB Policy Summit (November 12) | Our first-ever IAB Policy Summit examined the post-election implications for our industry and featured discussions from members of Congress, White House officials, leading business executives, and thought leaders – including Rep. Suzan Delbene (D-WA), FCC Commissioner Geoffrey Starks, CNN Anchor Jim Sciutto, and a conversation with Alastair Mactaggart, Chairman & Founder, Californians for Consumer Privacy, the architect of the California Consumer Privacy Act (CCPA). |
| Privacy Now | IAB CCPA Compliance Framework | IAB Tech Lab's U.S. Privacy String has become the standard for conveying CCPA compliance signals and the IAB Limited Service Provider Agreement has scaled to over 600 signatories. Visit iabprivacy.com to join. |
| Privacy Now | IAB CCPA Benchmark Survey | The IAB CCPA Benchmark Survey, drafted by 80 privacy lawyers engaged in our IAB CCPA Roundtables was released in November and provided a comprehensive view of the market's interpretations of the law and compliance approaches, its friction points, complexities, and ambiguities. |
| Privacy Now and Tele://vision | Project Crosswalk: CCPA practices in OTT/CTV | Project Crosswalk focuses on CCPA practices and compliance for OTT/CTV to develop a common framework addressing data sales and service provider disclosures. A survey concerning CCPA compliance issues is currently in the field. |

David Cohen
Chief Executive Officer
Interactive Advertising Bureau
116 E. 27th Street, 7th Floor
New York, NY 10016
212-380-4704

iab.

**Exploring Fast-changing Media Habits: Media Center |News Saves Lives, Tele://Vision, and Audio Everywhere**

| Campaign | Initiative | Description |
|---|---|---|
| Tele://Vision | 2021 Marketplace Outlook | With this final COVID Impact Study of 2020, we learned buyers are optimistic about 2021 and expect a 6% overall increase in their 2021 budget (vs. estimated actual spend in 2020). However, they have concerns about:<br>● Preparing for a cookie-less future / loss of identifiers<br>● The need for first-party data<br>● Cross-platform measurement solutions |
| News Saves Lives | Brand Safety and Suitability Best Practices: Understanding Brand Safety and Brand Suitability in a Contemporary Media Landscape | Brand safety and brand suitability impact all advertisers concerned with preserving their brand reputations. The Programmatic+Data Center's latest guide on Brand Safety and Suitability Best Practices: "Understanding Brand Safety and Brand Suitability in a Contemporary Media Landscape" is comprised of key concepts and available tools to help marketers make informed decisions. The guide is available for download here. |
| Tele://Vision | ads.txt and app-ads.txt Now Available for CTV and OTT | IAB Tech Lab has released the authorized digital sellers list (ads.txt) and its mobile app counterpart (app-ads.txt) to address transparency and anti-fraud for Connected TV (CTV) and Over-the-Top (OTT) inventory sharing. The specs are available for public comment until February 12. And we posted a blog post explaining how to implement app-ads.txt for safer CTV and OTT transactions. |
| Tele://Vision | Guidance for Uniquely Identifying Creative Asset IDs in VAST | With the release of VAST 4.x the Universal Ad-ID feature was introduced to address inconsistencies in how creative identifiers were assigned across various systems and to provide an authoritative program such as Ad-ID or any company's creative ID registration system to act as a registry in assigning a globally unique identifier that can be maintained and tracked across systems. |

David Cohen
Chief Executive Officer
Interactive Advertising Bureau
116 E. 27th Street, 7th Floor
New York, NY 10016
212-380-4704

iab.

| Tele://Vision | CTV Advertising Standards: Digital Media Standards Supporting CTV Growth | IAB Tech Lab CTV Advertising Standards enable more effective, privacy-compliant, brand-safe, efficient, and measurable video advertising. This blog post series explores the various aspects of video ad delivery in the CTV environment. |
| --- | --- | --- |
| Audio Everywhere | Podcast Measurement Technical Guidelines 2.1 | See "The Measurement Imperative" (in the table above) and visit the IAB Tech Lab Podcast Measurement page for more details. |

**Learning & Development**
In 2020, IAB developed comprehensive e-learning products including the **Digital 360 Suite** and the **Knowledge Suite**, which provides a streamlined offering for enterprise level training when it comes to online learning. A new course is now available for member companies, who can get it in e-learning format or as a virtual training: **Driving Business with Data Science**. Participants will learn how to think like data scientists in order to make an immediate impact on business strategy. This course demystifies data science by explaining the concepts and methods needed to empower users to solve everyday business problems.

**Public Policy**
IAB's Public Policy office ended the year by preparing for a new presidential administration and the outcome of the congressional elections, which were delayed due to the undecided Senate races in Georgia. The Biden presidency could mean a monumental shift in oversight of the technology industry, and heightened scrutiny of how consumer data is used online by publishers and platforms. Following four years of light-touch regulation and a Federal Trade Commission that did not "lean in" to privacy oversight and investigations, IAB is prepared for an administration that promises to put a microscope over data privacy and security. In advance of congressional and state-level hearings and inquiries, IAB's Public Policy Council vetted possible front-line policy issues that could be raised in the first 100 days of the Biden presidency, including a renewed examination of the use of geolocation and bidstream data in tracking online consumer behavior.

**Financial Management**
According to unaudited 2020 financials, IAB will finish the year with $0 net income versus the original budget loss of $510K; a tremendous achievement given a loss in revenue of $9M or 25% vs the original 2020 budget. The impact of COVID-19 can be seen on almost every revenue line: most notably on

**David Cohen**
Chief Executive Officer
Interactive Advertising Bureau
116 E. 27th Street, 7th Floor
New York, NY 10016
212-380-4704

**iab.**

member dues, on events because of a pivot to all virtual events after March, and on the Programmatic+Data Center and Experience Center. We were able to create sponsorship opportunities for a variety of new products including Town Halls, IAB There, and Brand Academies. As we take a view of our financial goals for 2021, we look forward to continuing to bring best-in-class value to our members and the industry.

**New Members**

Since November 2020, the following 24 new members have joined IAB, including Crinetics Pharmaceuticals and Mastercard as brand members and legal firms Paul Hastings and Lowenstein Sandler LLP.

| | | |
|---|---|---|
| Adomik | Estrella Media | Pinterest |
| AudienceRun | Frameplay | SafeGuard Privacy |
| Big Happy | GeistM | Shopify |
| Bitcentral | Insticator | Sirius XM Satellite Radio |
| Bloxbiz | Lowenstein Sandler LLP | Terminus |
| CNET Media Group | Mastercard | TransUnion |
| Crinetics Pharmaceuticals | Nexstar, Inc. | tvScientific |
| Digital-Ignite | Paul Hastings | ZAM Network |

2021 will be remembered as a pivotal moment in our industry. The 2021 IAB Annual Leadership Meeting (ALM) will illuminate the challenges and opportunities ahead — the only industry meeting of its kind that brings together leaders from every corner of the digital marketing and media ecosystem.  I believe it is what makes IAB different, vital, and indispensable.

As always, thank you for your continued support.

With appreciation,

David Cohen
Chief Executive Officer, IAB