

The Diageo Code of Marketing Practice for Alcohol Beverages

“Diageo Marketing Code”

“We are proud of our brands. We want Diageo’s marketing and promotional activities to be recognised as the best in the world. That means delivering great results for our brands, and doing so in a way which sets the industry standards for responsible marketing”

Paul Walsh, CEO, Diageo.

Introduction

Alcohol beverages bring pleasure to millions of adults every day, all over the world, as they have done for thousands of years. Many of the brands that these people enjoy are Diageo brands. We are proud of the unique part that alcohol plays in the social lives and celebrations of many cultures. Yet we also recognise that alcohol beverages may be consumed irresponsibly, creating problems for the individual and for society as a whole. Diageo therefore has a responsibility to ensure that its brands are advertised and marketed responsibly.

For this reason, a Diageo code of marketing practice was developed, to give guidance to all those involved in the marketing of our brands. Three years after the launch of this code, the company commissioned an independent auditor to review both the provisions of the code itself and the compliance procedures that were in place within the company. We also asked for views from a range of external stakeholders. This updated and revised Code of Practice takes into account both the findings of the audit and the comments received from external stakeholders. We believe it gives our brand teams clearer guidance about the standards of responsibility that we expect from them.

Scope

This code applies to all activities that we carry out in order to market our brands. This includes brand advertising, promotional activities in the on and off trade, brand innovation activities, experiential marketing, consumer planning, relationship marketing, consumer PR, and the development and content of brand web sites.

Brand names and packaging must abide by the principles of this code in addition to meeting regulatory requirements in the country in which they are sold.

1. Compliance with laws and regulations

All marketing activities relating to Diageo brands must be in keeping with both the letter and the spirit of all applicable national laws, local advertising regulations and self-regulatory codes of practice. They must also comply with other relevant Diageo codes, such as the digital governance policy and the code of business conduct.

The Diageo marketing code simply sets out some general principles that will be applicable in every country in which we do business. In countries where local regulations or codes of practice place additional or more stringent requirements on our in-market companies, then those additional requirements must also be met.

2. Underage provisions

Diageo understands how critically important it is to ensure that underage drinkers are not targeted, even unintentionally, by our marketing activities.

We will demonstrate this in the following ways:

- a) We will only place our advertising in communications media or at events where a majority of the audience can reasonably be expected to be over the appropriate legal purchase age. Our agency partners and media buyers will be made aware of this commitment and are expected to help us comply with it.
- b) All our brand web sites and other promotional activities on the internet will ask for confirmation that those who use the site are over the appropriate legal purchase age for alcohol beverages in their country of access.

In addition, all brand web sites will contain a social responsibility statement and links to those social aspects organisations of which we are members, such as The Portman Group and The Century Council.

- c) People shown drinking in advertisements for our brands must be, and must look as if they are, 25 years of age or older.
- d) We will not utilise any image, symbol, music, cartoon character or person that appeals primarily to those under the legal purchase age.

We will not license our brand names, logos or trademarks for use on children's clothing, toys, games or other materials intended for use primarily by persons under the legal purchase age.

- e) Whilst some countries have a legal purchase age for alcohol beverages that is lower than 18, or may set no legal purchase limit at all, it is company policy **never** to target our marketing activities at people under the age of 18.

3. Responsible drinking provisions

We believe that brand advertising that depicts responsible drinking as a relaxed, sociable and enjoyable part of life, has a role to play in promoting a responsible approach to alcohol consumption.

It is essential however that our marketing communications depict only moderate and responsible drinking. We will not appear to condone or encourage excessive or irresponsible drinking, or refer in any favourable manner to the effects of intoxication.

We will not depict people drinking heavily or very rapidly, or imply that such behaviour is attractive or appropriate.

4. Abstinence

We will not present abstinence in a negative light or imply that it is wrong or foolish to refuse a drink. There are times in everyone's life when consuming alcohol beverages may be unwise; for example, when taking certain medications or in situations where the individual's ability to drive may be impaired. There will always be people who choose not to drink at all and we will always respect their individual choice.

5. Offensive advertising

Our brands are sold in over 180 countries and territories around the world. Given that cultural sensitivities vary from one country to another, it is difficult to develop a global definition of what constitutes 'offensive' advertising. Responsible drinks marketing needs to be sensitive to cultural variation. It is also important to understand that approaches and images that are considered harmless in one culture could cause grave offence in another. We expect our marketing teams and our agencies to be aware of this and to ensure that our brand communications – both global and local - do not contain any images, symbols or figures which are likely to be considered gratuitously offensive or demeaning to either gender or to any race, religion, culture or minority group.

6. Alcohol content

We will not place undue emphasis on high alcohol content as the principal basis of appeal to the consumer. Giving factual information about the alcoholic strength of a drink may help consumers to make informed decisions, if permitted by law, but strength should never be the dominant theme of any advertisement or other brand communication materials.

7. Medicinal or therapeutic value

There is a large body of literature on the benefits and risks of drinking. Stories about possible health risks or benefits derived from drinking appear frequently in the popular news media. We believe that moderate drinking, for most people, can be part of a balanced and healthy lifestyle. However, we will not promote alcohol as a medicine. Our advertising and promotional materials will not imply that alcohol has the ability to prevent, treat or cure any human disease. Nor will they create the impression that alcohol consumption enhances mental ability or physical performance, e.g. when engaging in sports. We will not promote our brands as 'energy drinks'.

8. Drinking and driving

Our advertising and promotional materials will not depict activities or locations where drinking alcohol beverages would be unsafe or unwise. In particular, no marketing communication should imply that the consumption of alcohol is acceptable before or whilst operating machinery, driving a vehicle or undertaking any other occupation that requires concentration in order to be carried out safely. This provision also applies to other sporting activities such as swimming, sailing, horse-riding and skiing.

Brand teams wishing to sponsor sporting events featuring activities such as those referred to above, should contact external affairs for advice before doing so.

9. Social and sexual success

For the majority of those who choose to drink, drinking is a source of pleasure that is associated with sociability and friendship. Our brand advertising reflects this and frequently depicts responsible drinking as a relaxed and enjoyable way to socialise with friends. Whilst a brand preference may be portrayed as a mark of good taste and discernment, we will however ensure that our advertising and promotional activities do not imply that alcohol beverage consumption enhances sexual attractiveness or is a requirement for social acceptance or sexual success.

10. Anti-social activities

We will ensure that our marketing communications do not suggest any association with violence or with anti-social behaviour. We will ensure that the language we use in advertisements or other brand communications does not contain any direct or indirect references to drug culture or illegal drugs.

11. Promotional activities

Our on/off trade promotions will encourage responsible consumption by those adults who choose to drink and will not support activities that encourage excessive consumption.

When a brand promotion involves sampling, we will take all reasonable steps to ensure that our brands are not offered to minors or young people below the legal purchase age. Where possible we will provide server training to trade customers and bar staff to ensure that this is the case.

We will not sponsor promotions involving drinking games that have speed incentives, or that require excessive quantities of alcohol to be consumed within a short time period.

Some of our brands are sometimes consumed as shots. Promotional activities related to shots demand particular care to ensure that excessive consumption is not encouraged. Further guidance is available from the external affairs team.

Code Compliance

- A. Compliance with the marketing code is mandatory. It is essential that the code is not just used as an occasional reference document, or filed away for use in an emergency, but is an integral part of the approval process for all marketing materials.
- B. Our in-market companies may strengthen this marketing code if necessary, to address different or specific issues that they face in their market. These provisions must be in addition to, not in place of, the standards set out in this code.
- C. Code compliance is a fundamental responsibility of the general manager and marketing director in all our in-market companies. All companies must establish a compliance process to ensure that we follow both the letter and the spirit of the code. In larger companies, this would include the legal and external affairs team; in smaller companies, it may be the sole responsibility of the marketing director and general manager. However, if at all possible, code sign-off should be given by a senior manager who has not been involved with the development of the campaign.
- D. Marketing code sign-off is required for all marketing, advertising and promotional activities in the on and off trade, including the naming and packaging of our brands. Sign-off is also required for brand innovation activities, experiential marketing, consumer planning, relationship marketing, brand launch campaigns, consumer PR, and all other activities that we carry out to market our brands.
- E. Advertising agencies, market research companies, media buyers and other external consultants must receive a copy of the code as part of their communications brief from the company and must undertake to abide by its provisions in any work they do on our behalf.
- F. Our companies must establish training programmes for all those involved in the marketing, sale or promotion of our brands. Care must be taken to ensure that newly recruited marketing staff receive code training as part of their induction to the company. Refresher courses should be provided for those who have been with the company for a longer length of time. All staff involved in marketing activities must be familiar with both the requirements of the Diageo marketing code and any additional requirements set by local regulations, codes of practice or national laws. The Diageo legal team with responsibility for the countries or brands in question should be consulted if guidance is required on local regulations.
- G. Marketing code issues will be incorporated within the relevant Diageo training programmes, such as those related to the Diageo way of brand building and Navigate.
- H. Special attention must be paid to code clearance for brand web sites and promotional activities on the internet, because they are global media. This means that their geographical reach will extend beyond individual country borders and laws in countries wherever the web site can be accessed will apply. Further advice available from the Diageo legal team.

- I. When consulting other functions, those responsible for the development of a campaign or of a new brand, must allow sufficient time for consultation and sign-off. Advice must be sought early on in the process, so that any changes can be made more readily and without incurring extra cost. This need for early approval also applies to legal clearance, advice on intellectual property/trademarks and trading standards approval. If deadlines are tight, as they often are, it is good practice to establish in advance whether those people whose approval is necessary will be available on a given day or at a given time.
- J. If in doubt, or in markets where no external affairs expertise is available locally, advice should be sought from the external affairs team at Henrietta Place.
- K. Any Diageo company that receives criticism of its marketing activities should, as a matter of course, inform the Diageo external affairs and communications teams in London immediately, so as to minimise risk to the company's corporate reputation.

Alcohol education initiatives

As the world's leading premium drinks business, Diageo recognises that it has an important role to play in setting the industry standards for social responsibility. We will encourage our in-market companies and global brand teams to develop and implement consumer education initiatives that address issues relating to responsible drinking. In addition, Diageo Foundation funding is available for alcohol education and server training initiatives. Further information about Diageo's involvement in alcohol education initiatives is available from external affairs, or on our corporate web site, www.diageo.com.

For further enquiries please contact Diageo External Affairs.

Diageo plc
8 Henrietta Place
London
W1G 0NB

Tel : +44 (0)20 7927 5200/5300
Direct Fax : +44 (0)20 7927 4649