

STRENGTHENING AND EXPANDING MARKETING CODES OF PRACTICE

We want to set robust standards for our marketing communications as leading producers of beer, wine, and spirits. Our advertising messages should always be legal, truthful, honest, and consistent with prevailing cultural standards of good taste and social responsibility

We also commit to only target our marketing at adults of legal purchase age, and to promote safe and responsible drinking as part of a balanced lifestyle. All of us have internal marketing codes that clearly set out these guidelines.

We also support marketing codes of practice and self-regulation systems where they exist, and work in partnership to help introduce an enabling regulatory framework in countries where they do not yet exist. Codes of practice not only ensure high standards across many markets, but they also offer industry guidance in the absence of government regulation. We believe that industry self-regulation promotes social responsibility; it is particularly crucial in countries where there is minimal government regulation or limited resources for creating and enforcing it.

In 2017, 97% of our contracts with advertising agencies specified that the agencies must comply with our marketing codes; this high compliance helps to ensure that our codes have real authority and conveys how seriously we take this issue. With this in mind, we extended our codes to require the content of any online marketing to meet the same high standards that apply to traditional marketing activity.

In September 2014, we announced the first-ever set of global guidelines for beverage alcohol producers' online marketing and social media use, comprising seven principles across four key areas:

Minors: All interactive campaigns for alcohol should use an **age-affirmation mechanism** to check that the user is over the LPA. **The 70/30 Rule:** non-interactive campaigns should only be placed in media where it's reasonable to expect that at least 70% of the audience

is over the LPA. A **forward advice notice** (FAN) should be displayed where our content can be shared, clearly stating that it should not be forwarded to anyone under the LPA in the country of viewing.

Responsible Communication: Digital marketing communications and platforms should clearly display a **responsible drinking message** (RDM). Any user-generated content (UGC), on an alcohol producer's platform, should be **moderated frequently** so that it complies with the Guiding Principles.

Transparency: Our digital marketing communications should never **misrepresent** their commercial purpose by using techniques to imply that such messages are coming from an ordinary consumer.

Privacy: Consumers need to be informed in a **clear manner** about how their data is collected and used for marketing purposes.

In the interest of continuous improvement, in September 2017, we announced our **commitment**¹ to developing new marketing standards in collaboration with our internal marketers and with outside agencies and social media companies. Digital media presents evolving opportunities with improved consumer insights, better data, and technology and we are determined to use these to ensure that we direct our advertising only to those adults who can lawfully buy our products. We anticipate that these new standards will be announced in 2018 and implemented collaboratively with social media platforms in 2019.

Our new standards for digital marketing will take account of the rapidly-changing landscape, strengthening our commitment to market our products responsibly.

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*Codes of practice also
offer industry guidance in
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regulation*”

¹<http://www.iard.org/wp-content/uploads/2017/09/IARD-Communique-PDF.pdf>

COMMITMENT
2

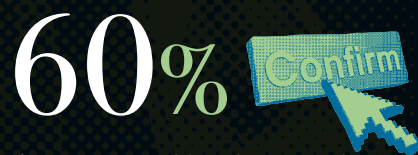
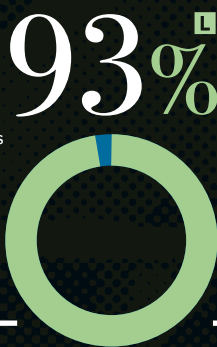
Key to KPI infographics: **P** Progressive **C** Cumulative **O** Only 2017 data **L** Limited data set, figures for 2013–2017 were not available

ACTION 3: ENSURING THAT ADULTS MAKE UP AT LEAST 70% OF OUR ADVERTISING AUDIENCE



of our digital advertising impressions, in Q4 2015 and Q1 2016, were compliant with our aim to target and reach audiences comprising of at least 70% viewers who are of legal purchase age.

The average adult composition across all measured sites where our digital ads appeared was 93% in Q4 2015 and Q1 2016.



of impressions were delivered in age-gated environments where users have confirmed their age; 16% of these impressions in Q4 2015 were bought programmatically, which supported our ability to deliver advertising to LPA-compliant audiences.*

ACTION 4: DEVELOPING DIGITAL MARKETING GUIDELINES

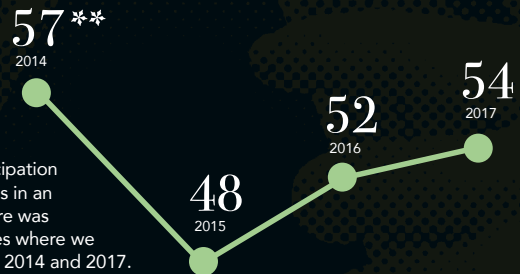


We published our Digital Guiding Principles (DGPs) in September 2014.

ACTION 5: INVOLVING THOSE OUTSIDE THE INDUSTRY IN THE SELF-REGULATORY PROCESS



We established non-industry participation in existing self-regulatory processes in an average of 53 countries where there was commercial activity, of the countries where we were commercially active between 2014 and 2017.



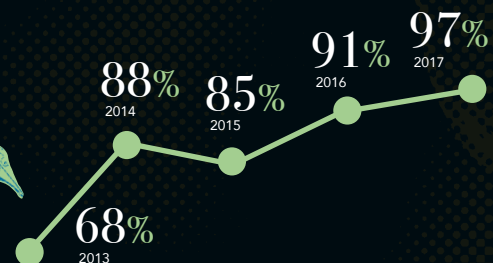
ACTION 6: MAKING RESPONSIBLE MARKETING CODES A CONTRACTUAL OBLIGATION



of our contracts with advertising agencies in 2017 specified that the agencies had to comply with our responsible alcohol advertising codes.



The percentage of our contracts with advertising agencies which specified that they had to comply with our responsible alcohol advertising codes increased 29 percentage points from 2013 to 2017.



*"Programmatic buying" is a way of ensuring that advertisers reach only their target demographic. It is an automated process for advertisers to buy media, and for media owners to sell real-time advertising inventory online. The advertiser

sets the parameters for the profile of the audience that they wish to reach: for example, specifying that an alcohol campaign message should only be shown to viewers above the LPA.

**The figure for 2014 includes one company's internal processes with independent input on marketing content and social media strategies.

COMMITMENT 2 IN ACTION

These selected case studies highlight our varied priorities, actions, and challenges in territories around the world. Our regional and national programs are implemented by individual companies as well as through partnerships.

SETTING STANDARDS: RESPONSIBLE ALCOHOL MARKETING POLICIES IN CAMBODIA

The Asia Pacific International Wine and Spirits Alliance (APIWSA), together with the Minister of Information Khieu Kanharith, signed the “Cambodia Responsible Alcohol Marketing and Communication Code of Conduct” in February 2017. The code sets out the rules that apply to alcohol marketing and represents a set of common standards supported by major international alcohol producers, such as statements on alcohol strength, harmful drinking, and not targeting those under 18 years old.

The signing of the code was another important step in the ongoing efforts to continue promoting a responsible drinking culture in Cambodia, with APIWSA Director Davide Besana commenting that it communicated “our commitment to promote our brands in a manner that is consistent with domestic and international regulations, as well as our ethics and values. The Code is testament to our pledge to ensure that

advertising and promotion of alcohol beverages in Cambodia is of the highest standard.”

Bacardi, Beam Suntory, Brown-Forman, Diageo, and Pernod Ricard are among the members of APIWSA



PARTNERSHIP: SELF-REGULATORY MARKETING GUIDELINES AGREED IN ARGENTINA

In May 2016, the three main trade associations for beer, wine, and spirits producers agreed a set of self-regulatory advertising guidelines. The Argentine Brewers association, the Bodegas of Argentina, and the Argentine Chamber of Spirits (CABE) – formerly, the Argentine Chamber of Distillers (CADIL) – committed to common standards, including ensuring that actors in alcohol advertisements are over 25 years old, and that these commercials will not imply that alcohol is good for health.

“We are very happy with the signing of this agreement. The joint effort of industries is very important in terms of communication and this [agreement] confirms it.”

Argentine Brewers president Pablo Querol

CABE representatives commended both producers and importers for their commitment to the corporate social responsibility aspect of their industries and confirmed the association would keep working in partnership to further improve self-regulation.

Members of the Argentine Brewers include the local operating companies of AB InBev and HEINEKEN, and CABE members include Diageo and Pernod Ricard.

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Argentine Brewers president Pablo Querol

PROGRESS: GHANAIAN GOVERNMENT, BROADCASTERS, AND TRADE ASSOCIATIONS WORK TOWARDS SHARED MARKETING CODES



In 2017, our secretariat, IARD, began planning and engagement work for a collaboration between the Association of Alcohol Manufacturers and Importers (AAMI), the Advertisers Association of Ghana (AAG), the Ghana Independent Broadcasters Association (GIBA), and the government's Ministry of Health, Ministry of Information, and Food and Drugs Authority (FDA) on responsible marketing guidelines.

The work culminated in a workshop in April 2018, where the stakeholders agreed to draft new alcohol marketing and advertising regulations. Minister for Information Dr. Mustapha Hamid praised the trade associations.

AAMI's member companies include Pernod Ricard, and the local operating companies of AB InBev and Diageo.

STRENGTHENING REGULATION: AB INBEV UPDATES COMPANY-WIDE MARKETING AND COMMUNICATIONS CODE

“ We have a great responsibility to ensure that our communications are honest, truthful, keep with contemporary standards of good taste, and are sensitive to cultural differences between markets. Compliance with the Code is therefore mandatory for all of our marketing, sales, promotion and communications efforts and includes both traditional and digital media. ”

AB InBev CEO Carlos Brito

AB InBev updated and enhanced its global Responsible Marketing and Communications Code¹ (RMCC) in October 2017, detailing standards with which all marketing, sales, promotion, and communications efforts must comply, across both traditional and digital media.

The Code includes guidelines intended to ensure that AB InBev's products are marketed only

to adults over the LPA and in a manner that does not portray irresponsible drinking as acceptable. It also clearly states that commercial communications should not make claims about health benefits and includes a dedicated section on standards for digital media and consumer data and privacy. Finally, the Code outlines how marketing and communications related to AB InBev's non-alcohol

beer products must also comply with the standards established by the Code.

The guide was translated into nine additional languages and supplemented with an online training course for company employees, as well as a separate online training course for the external marketing and communications agencies that AB InBev works with.

WHERE COMMERCIALLY ACTIVE, ALL 11 SIGNATORIES HAVE INTERNAL MARKETING CODES

SETTING STANDARDS: ASAHI'S STRENGTHENED CODES OF RESPONSIBLE MARKETING AND COMMERCIAL COMMUNICATION FOR EUROPE



In 2017, the two business units of Asahi in Europe set out their codes of commercial communication, and how they would be overseen and enforced, to continue their existing responsible practices. The “Responsible Marketing Policy”² and the “Policy

of Commercial Communication”³ sets of codes emphasize Asahi Europe Ltd. and Asahi Brewers Europe Group's commitment to high standards and accountability in all areas of business.

“ We act with honesty and integrity... [we are] decent and truthful, and prepare commercial communications with a due sense of social responsibility. ”

Asahi Europe's “Responsible Marketing Policy”²

“ Asahi Breweries Europe Group (ABE Group) believes strongly in our responsibility to be a force for good, both globally and in the communities in which we operate. An integral part of this is to communicate about and market our products in a responsible way. ”

Asahi Breweries Europe Group's “Policy on Commercial Communication”³

¹<http://www.ab-inbev.com/better-world/our-policies.html>

²<https://www.asahibeer.eu/wp-content/uploads/2018/02/AEL-Responsible-Marketing-Policy-1.pdf>

³http://www.asahibreweries.eu/documents/Corporate_Policies/Compliance/POCC.pdf