

PERNOD RICARD

CODE FOR COMMERCIAL COMMUNICATIONS



This Code is adapted from the Amsterdam Group / EFRD Common Standards for Commercial Communications which has been approved and adopted by all our major competitors within Europe.

PERNOD RICARD has adopted this provision as our own internal code which will apply to all our advertising around the world.

All **PERNOD RICARD** marketing must comply with this Code of Conduct. At the same time, individual affiliates must ensure that our advertising is also in compliance with the relevant national laws or codes.

PREAMBLE

Alcoholic Beverages have been consumed and enjoyed around the world for centuries. Production of these beverages, consumption patterns and drinking habits differ widely from one country or region to another, and particularly with regard to the different categories of Beverages. These products, when responsibly consumed, are compatible with a balanced and healthy lifestyle and are enjoyed in a responsible way by the vast majority of consumers. Those products are of major societal, cultural and economic importance throughout the world.

PURPOSE OF THIS CODE

It is recognized that excessive or irresponsible consumption of Beverages may have personal, social or health consequences. The purpose of this Code is to ensure that commercial communications do not encourage or condone excessive consumption or misuse of any kind.



COMMERCIAL COMMUNICATIONS

Commercial Communications are defined herein as: "All brand advertising or marketing communications to consumers regardless of the medium used (e.g. print, broadcast media, labeling, packaging, internet, new technologies and sponsorship) and including consumer and trade promotion, merchandising and point of sale material."

Commercial Communications do not include:

- non-advertising materials or statements to the media, government agencies or the public about issues of societal concern such as the risks or benefits related to the consumption of Beverages and educational messages about responsible drinking or the role of alcohol in society.

BASIC PRINCIPLES

Commercial Communications should:

- be legal, decent, honest and truthful and conform to accepted principles of fair competition and good business practice ;
- be prepared with a due sense of social responsibility and be based on principles of fairness and good faith ;
- not in any circumstances be unethical or otherwise impugn human dignity and integrity.

1. Misuse

1.1 Commercial Communications should not encourage or condone excessive or irresponsible consumption, nor present abstinence or moderation in any negative way.

1.2 Commercial Communications should not show people who appear to be drunk or in any way imply that drunkenness is acceptable.

1.3 Commercial Communications should not suggest any association with violent, aggressive, illegal, dangerous or antisocial behavior.



- 1.4** Commercial Communications should avoid any association with, acceptance of, or allusion to drug culture or illicit drugs.
- 1.5** For all print, TV and cinema advertising and on all company and brand websites, a responsible drinking message will be included. This responsible drinking message must be clearly legible and noticeable on the advertisement and on the website. The responsible drinking message should be expressed in the language most easily understood by the target audience and adapted to local situations.

2. Minors¹

- 2.1** Commercial Communications should not be aimed at minors nor show minors consuming Beverages.
- 2.2** Commercial Communications should only promote Beverages in print and broadcast media for which at least 70% of the audience are reasonably expected to be adults 18 years or older. They should not promote Beverages in print and broadcast media, or events for which more than 30% of the audience is known or reasonably expected to be minors.
- 2.3** Commercial Communications should not use models and actors who are not at least 25 years of age.
- 2.4** Commercial Communications should not use objects, images, styles, symbols, colors, music and characters (either real or fictitious, including cartoon figures or celebrities such as sporting heroes) of primary appeal to children or adolescents.
- 2.5** Commercial Communications should not use brand identification such as names, logos, games, game equipment or other items of primary appeal to minors.

¹ Minors can be defined for this Code as: "Young people below 18; or higher when national legal purchase age requires".



3. Drinking and Driving

- 3.1** Commercial Communications should not suggest that the consumption of Beverages is acceptable before or whilst driving motor vehicles of any kind, including speed boats, jet-skis, snow-mobiles and airplanes.
- 3.2** Any association of our brands with motor sports must be managed carefully. In particular **PERNOD RICARD** will refrain from any alcohol brand advertising on circuits, cars or pilots in action.

4. Hazardous Activities, Workplace & Recreation

Commercial Communications should not suggest that the consumption of Beverages is acceptable before or whilst operating potentially dangerous machinery, or with undertaking any potentially hazardous recreational or work-related activity.

5. Health Aspects

- 5.1** Commercial Communications should not claim that Beverages may have therapeutic properties and that their consumption may help preventing, treating or curing any human disease.
- 5.2** Where permitted by law, Commercial Communications using truthful and accurate factual statements about carbohydrate, calories or other nutrient content may be appropriate in some circumstances.

6. Pregnancy

- 6.1** Commercial Communication should not show pregnant women drinking or aim at women who are pregnant.
- 6.2** Within the EU all **PERNOD RICARD** bottles will include the pregnancy logo currently used in France (except if another prescribed and mandatory message is required).



7. Alcohol Content

- 7.1** Commercial Communications should not create any confusion as to the nature and strength of Beverages.
- 7.2** Commercial Communications may present information for consumers on alcoholic strength but should not emphasize high alcoholic strength as a dominant theme in any brand communications materials. On the other hand, messages may not imply that consuming Beverages of low alcohol content will avoid abuse.

8. Performance

Commercial Communications should not create the impression that consumption of beverages enhances mental ability or physical performance or has an energizing effect, e.g. when engaging in activities requiring concentration in order to be safely executed.

9. Social Success

Commercial Communications should not suggest that the consumption of Beverages is a requirement for social acceptance or success.

10. Sexual Success

- 10.1** Under no circumstances should Commercial Communications be unethical, offend against generally prevailing standards of taste and decency or otherwise impugn human dignity and integrity.
- 10.2** Commercial Communications should not suggest that the consumption of Beverages enhances sexual capabilities, attractiveness or leads to sexual relations.
- 10.3** Any use of an image of a nude man or woman must be in good taste and appropriate for the brand message being conveyed. Commercial Communications should avoid the use of graphic, lewd or gratuitous nudity.

FURTHER GUIDANCE ON THE IMPLEMENTATION OF THIS CODE

If further advice is required on the understanding or interpretation of the provision of this Code, **PERNOD RICARD** employees should contact members of the Internal Approval Panel for Commercial Communications.

COMPLIANCE WITH LAWS, REGULATIONS AND OTHER INDUSTRY CODES

All Commercial Communications must be in keeping with both the letter and the spirit of all national applicable laws, regulations and self-regulatory codes of practice.

COMPLIANCE BY EXTERNAL CONSULTANTS

PERNOD RICARD Marketing Executives should ensure that external consultants such as advertising, marketing, public relations and sponsoring agencies, are aware of the Code of Conduct and this guidance in particular.

ANNEXES AND REFERENCES

The Code is further clarified and explained in the attached Annexes that include specific guidance :

- **For Internet brand marketing activities (Annex 1) :**
Applicable to all markets
- **For Point of Sales promotions (Annex 2) :** Applicable to EU countries
- **For Sponsorship (Annex 3) :** Applicable to EU countries

ANNEX 1 – GUIDELINES FOR THE INTERNET



- 1.** **PERNOD RICARD** will apply its Code of Conduct to all media including the internet and other new media of any kind that are used to transmit commercial alcohol-related marketing communications to customers.
- 2.** **PERNOD RICARD** will take additional steps to ensure that internet sites, their content and related technologies are designed for adults and will take action to discourage underage access as set forth in item 3 below.
- 3.** **PERNOD RICARD** alcohol marketing internet sites will have language stating that use is restricted to those of legal drinking/purchase age for the country of consumer access, in no event lower than 18, and a requirement for entry of the person's birth date which blocks access to those who enter a birth date that is underage.
- 4.** **PERNOD RICARD** will include its responsible drinking messages on all alcohol marketing websites.
- 5.** **PERNOD RICARD** will not use child oriented cartoons, icons or characters on their websites.
- 6.** SMS messaging, chat rooms and video/computer games will only be used on alcohol marketing websites where independent research reasonably shows that at least 70% of users of that type of activity are at least 18 years age (which is the oldest legal drinking age in Europe).

ANNEX 2 – GUIDELINES FOR RESPONSIBLE PROMOTIONS



Introduction

These Guidelines for Responsible Promotions are an integral part of the Code of Conduct for Commercial Communications. They apply in addition to the Common Standards and should therefore be read in conjunction.

PERNOD RICARD recognizes that promotions are an appropriate and valuable marketing tool to:

- enhance customer awareness of a product/brand;
- showcase a new product/brand.

As with all commercial communications, promotions should

- be developed, implemented and managed responsibly;
- never be aimed at underage drinkers;
- never encourage violent, aggressive, dangerous, anti social or illegal behavior, drink driving or alcohol misuse;
- never be demeaning to any group in society or otherwise offend accepted standards of taste and decency;
- be in full compliance with the prevailing laws, regulations and self-regulatory codes.

Given the complexity and structure of the beverage alcohol industry and the restaurant, retail, bar and hospitality business throughout Europe, the manufacturer whose product(s) is/are part of a promotional activity may not always be involved in or even aware of that particular activity. This of course affects the degree of control – if any – the manufacturer can exert over the content and tone of such activities. The operator and/or owner of the venue where the promotional activity takes place are important parties for the implementation of promotional activities.



This said, **PERNOD RICARD** recognizes that it is in its interest and in the interest of the society as a whole that beverage alcohol products (hereafter referred to as Beverages) are promoted responsibly. **PERNOD RICARD** therefore commits itself to working with the relevant organizations helping to ensure that these Guidelines are fully understood and communicated widely in sectors such as :

- retail
- hotels / restaurants / cafes / bars / nightclubs / discotheques
- tourism boards
- educational bodies and institutes from the HORECA industry
- promotion agencies and promotion suppliers
- events producers and organizers

Types of promotions

Promotional activities of Beverages can take place broadly in the following types of settings:

- in store (small shops, supermarkets, hypermarkets)
- on-premise (licensed establishments)
- third party events
- in-house (e.g. production facility tours)
- own events in non-traditional locations (e.g. brand-owner sports event ; brand's music or dance festivals, train stations, on the beach, old industrial sites, spontaneous gatherings/events organized via sms)
- private homes of consumers

As circumstances and settings greatly vary, there is not one rule for everyone. These Guidelines, based on the provisions of the Code of Conduct, aim to provide practical tips on a number of aspects concerning promotional activities:

- setting
- content
- tone
- approach
- audience (age) profile.



These Guidelines cover both the actual activity and the supporting materials.

Guidelines for Point-of-Sales promotions

Basic Principles

Commercial Communications should :

- be legal, decent, honest and truthful and conform to accepted principles of fair competition and good business practice ;
 - be prepared with a due sense of social responsibility and be based on principles of fairness and good faith ;
 - not in any circumstances be unethical or otherwise impugn human dignity and integrity.
- a. There should be no form of discrimination of participation on the grounds of race, sexual orientation, religion, political inclination etc.
 - b. Avoid images, messages or activities which are likely to be considered gratuitously offensive or demeaning.
 - c. Ensure that the price for the Beverage(s) is/are known to all consumers.
 - d. Ensure that the alcoholic nature / alcohol content of the promoted Beverage(s) is/are known to consumers when the promotional activity is being started.

1. Misuse

- 1.1** Commercial Communications should not encourage or condone excessive or irresponsible consumption, nor present abstinence or moderation in any negative way.
- 1.2** Commercial Communications should not show people who appear to be drunk or in any way imply that drunkenness is acceptable.
- 1.3** Commercial Communications should not suggest any association with violent, aggressive, illegal, dangerous or antisocial behavior.



- 1.4** Commercial Communications should avoid any association with, acceptance of, or allusion to drug culture or illicit drugs.
- a. Never encourage irresponsible and excessive consumption of Beverages.
 - b. Do not use any “drinking games” that may encourage excessive or irresponsible consumption, such as activities which involve either “speed incentives” or drinking an excessive amount of Beverages within a short period of time.
 - c. Do not serve consumers who are or appear to be uncontrollably excited, drunk, aggressive or engage in anti-social behavior. Ensure your staff is fully briefed on how to manage consumers who appear drunk, aggressive or anti-social.
 - d. Do not exercise any pressure on people not willing to participate.
 - e. Do not act negatively towards people who are not interested in the promotion.
 - f. It is good practice to display a clearly visible and appropriate responsible drinking message.
 - g. Ensure none of the aspects of the activity encourages excessive or irresponsible consumption (content, language, behavior of promotional teams, price/timing etc).
 - h. If a promotion or incentive includes a multi-purchase, consumers are not encouraged to drink over the national recommendation for sensible drinking.
 - i. Promotional activities and messages should never encourage consumers to engage in risky or potentially dangerous activities or behavior.

2. Minors²

- 2.1** Commercial Communications should not be specifically aimed at minors nor show minors consuming Beverages.

² Minors can be defined for this Code as: “Young people below 18; or higher when national legal purchase age requires”.



- 2.2** Commercial Communications should only promote Beverages in print and broadcast media for which at least 70% of the audience are reasonably expected to be adults 18 years or older. It should not promote Beverages in print and broadcast media or events for which more than 30% of the audience is known or reasonable expected to be minors.
- 2.3** Commercial Communications should not use models and actors who are not at least 25 years of age.
- 2.4** Commercial Communications should not use objects, images, styles, symbols, colors, music and characters (either real or fictitious, including cartoon figures or celebrities such as sporting heroes) of primary appeal to children or adolescents.
- 2.5** Commercial Communications should not use brand identification such as names, logos, games, game equipment or other items of primary appeal to minors.
- a. Never engage in promotional activities inviting people under the legal purchase age to participate.
 - b. Do not allow people below the legal drinking age to participate.
 - c. Do not carry out the promotion at all if it is reasonably expected that more than 30% of the public will consist of people under the legal drinking age. In case of doubt, do not go ahead with the activity (please check percentages as they may vary from country to country).
 - d. Consider using displays to inform consumers that Beverages should only be consumed by people over the legal purchase age (please see also point f under point 1 Misuse).
 - e. In case of doubt about the legality of the age, ask for proof of age, when appropriate (be aware of national laws and regulations regarding identity / proof of age requests).
 - f. Ensure that none of the aspects of the activity primarily appeal to people under the legal drinking age (content, language, cartoons, music, celebrities etc).



- g. Alcohol brands should not feature on children's/adolescent size clothing.

3. Drinking and Driving

Commercial Communications should not suggest that the consumption of Beverages is acceptable before or whilst driving motor vehicles of any kind, including speed boats, jet-skis, snow-mobiles and airplanes.

- a. Be particularly vigilant about the participation of consumers who may drive following participation, e.g. in a supermarket tasting.
- b. Consider displaying a "don't drink and drive" message.
- c. Be careful with promotions in venues closely linked with driving (e.g. highway stores/restaurants).
- d. While motor vehicles can be used as prizes, great care must be taken at the awards ceremony to ensure the vehicle cannot be driven by anyone who has consumed Beverages (e.g. vehicle keys can be handed over the day after the award ceremony).

4. Hazardous Activities, Workplace & Recreation

Commercial Communications should not suggest that the consumption of Beverages is acceptable before or whilst operating potentially dangerous machinery, or with undertaking any potentially hazardous recreational or work-related activity.

- a. Ensure that the promotion does not include or encourage a hazardous activity.

5. Health Aspects

- 5.1** Commercial Communications should not claim that Beverages may have therapeutic properties and that their consumption may help preventing, treating or curing any human disease.



- 5.2** Where permitted by law, Commercial Communications using truthful and accurate factual statements about carbohydrate, calories or other nutrient content may be appropriate in some circumstances.
- a. Ensure that no aspects of the activity imply that the Beverage has any properties of preventing, treating or curing a human disease.

6. Pregnancy

Commercial Communication should not show pregnant women drinking or specifically aim at women who are pregnant.

7. Alcohol Content

- 7.1** Commercial Communications should not create any confusion as to the nature and strength of Beverages.
- 7.2** Commercial Communications may present information for consumers on alcoholic strength but should not emphasize high alcoholic strength as a dominant theme in any brand communications materials. On the other hand, messages may not imply that consuming Beverages of low alcohol content will avoid abuse.
- a. Ensure that participants in the promotion know that alcohol is involved.
 - b. Do not use drink-delivery methods / gimmicks which might confuse or mislead the consumer as to the amount of alcohol they are consuming (e.g. alcohol sprays, vaporizers).

8. Performance

Commercial Communications should not create the impression that consumption of beverages enhances mental ability or physical performance or has an energizing effect, e.g. when engaging in activities requiring concentration in order to be safely executed.

- a. Do not encourage or promote drinking prior to engaging in sports.



9. Social Success

Commercial Communications should not suggest that the consumption of Beverages is a requirement for social acceptance or success.

10. Sexual Success

10.1 Under no circumstances should Commercial Communications be unethical, offend against generally prevailing standards of taste and decency or otherwise impugn human dignity and integrity.

10.2 Commercial Communications should not suggest that the consumption of Beverages enhances sexual capabilities, attractiveness or leads to sexual relations.

11. Sampling³

No sampling of Beverages should be offered to minors; it is allowed at licensed or private premises, trade fairs or occasions in accordance with local regulations.

It should be noted that the provisions of the Code and the guidance given in this guidelines for promotions also apply to sampling, i.e. informing the consumer about what they are to sample, alcohol strength, not sampling someone who is drunk, where people are potentially participating in risky or dangerous activity or where they potentially engage in anti social behavior etc.

PROHIBITED PHYSICAL POS / PROMOTIONAL ITEMS

- Promotions involving drinking vessels, gimmicks, sprays or other drink dispensing mechanisms which either
- Encourage excessive drinking

³ Sampling includes tasting



- And/or mean that consumers cannot readily tell how much alcohol they are consuming (e.g. squirt guns, AWOL machines).
- And/or mean that consumers do not have control on the amount of alcohol they are consuming, or the speed of delivery (free-pour luges, 'dentist chairs').
- Drinking vessels, gimmicks or drink-dispensing mechanisms with medical or pharmaceutical connotations, e.g. syringes, test tubes.
- Promotions which involve religious or other symbols and references which could cause offence in the context of an alcohol beverage promotion.
- Sweets or children's confectionary: no confectionary/treats that are primarily associated with children; adult confectionary is acceptable, liqueur chocolates, dark chocolate, if in doubt sales data should be looked at to ensure adult audience.
- Prize giveaways and games primarily appealing to underage.
- Drinking games and/or games that can encourage irresponsible consumption.
- Seduction games with a sexual content or connotation.
- Inflatable e.g. doughnuts, lilos, inflatable beds/pillows, chairs, etc likely to be used in the water should not be primarily appealing to underage.
- Clothes in children's sizes or any reference thereto,
- Sex toys
- Branded condoms
- Hangover cures

ANNEX 3 – SPONSORSHIP GUIDELINES



1. Introduction

PERNOD RICARD treats sponsorship with the same due diligence and great respect for maintenance of the high standards of responsibility that they apply to all other marketing disciplines.

Sponsorship for the purpose of these guidelines means any commercial agreement by which a sponsor, for the mutual benefit of the sponsor and sponsored party, contractually provides financing or other support in order to establish an association between the sponsor's brands or products and a sponsorship property in return for rights to promote this association and/or for the granting of certain agreed direct or indirect benefits.

2. Specific guidance for alcohol beverage brand sponsorships

- The Code of Conduct along with these complementary guidelines apply to the overall sponsorship agreement, including any sponsored event material carrying the sponsor's logo or trademark for the duration of the sponsorship agreement.
- **PERNOD RICARD** should not engage in sponsorship agreements unless at least 70% of the audience for the event (meaning those attending the event and the audience for broadcast media coverage of the event) are reasonably expected to be 18 years of age or older. It is the sponsor's responsibility to demonstrate that this requirement has been met.

- Sponsorship by **PERNOD RICARD** to assist programs encouraging social responsibility or discourage underage drinking is covered by the Code of Conduct and this guidance and shall not be in breach thereof.
- Sponsorship in any field may be accompanied by an activity or message promoting responsible drinking behavior.
- **PERNOD RICARD** shall require sports sponsored parties not to feature alcohol branding on children's size replica sports items, but instead to offer such items without alcohol beverage branding.
- No branded merchandise associated with a sponsorship should be aimed at those under legal purchase age or have a particular appeal to them beyond the appeal the merchandise has for the adult public.
- **PERNOD RICARD** will not sponsor junior sports teams, junior sports leagues or junior cultural events, such as musical/talent contests or awards primarily for people under 18 years old (the term 'junior' meaning those under 18 years of age or under legal purchase age where this may be higher than 18). However, an adult oriented cultural or sports event meeting the 70% over-18 threshold (e.g., city orchestra or opera) may be sponsored even if it should turn out that a small number of the performers are under 18 years old.
- With respect to sponsored sports or activities that could be considered dangerous, there should be no suggestion that players/performers consume alcohol before or while performing, or that alcohol consumption enhances their performance in any way.

