



DIAGEO

CELEBRATING LIFE,
EVERY DAY, EVERYWHERE

DIAGEO MARKETING CODE

Promoting Responsible Drinking

 **DMC**

INTRODUCTION

Diageo has a proven history of ensuring our brands are advertised and marketed responsibly

We want Diageo's marketing and promotional activities to be recognised as the best in the world. Our brands are made with pride and made to be enjoyed responsibly. Alcohol can be part of a balanced lifestyle when consumed moderately and responsibly by adults who choose to drink, and can play a positive role in social occasions and celebrations. However, we recognise that harmful drinking creates problems for individuals and for society.

The Diageo Marketing Code (DMC) is our minimum global standard that applies to all of our activities that communicate about and market our brands, regardless of media.

Compliance with the DMC is mandatory for all employees of Diageo, our subsidiaries and joint ventures where Diageo has a controlling interest. It also applies to third party agencies, contractors, third party distributors and consultants engaged by Diageo.

The Code supports our approach to innovative marketing and the entrepreneurial spirit of our marketers, while at the same time ensuring we stay true to our core values and market responsibly to adults. There are ten principles that guide all of marketing, and at a heart of these is our commitment to ensure all our activities are depicting and encouraging only responsible and moderate drinking and never target those who are younger than the legal purchase age for alcohol.

In addition to the DMC, further guidance on specific marketing activities and compliance requirements are specified in the Diageo Digital Code, Responsible Research Standard, Consumer Information Standard and the Data Protection Global Policy.

We consider this code to be an enabler of great creativity and we hope it inspires all our stakeholders to continue to work together with us, to deliver responsible alcohol marketing and effective self-regulation across the industry and the globe. In addition, we hope the DMC, which often sets higher standards for alcohol marketing than exists in regulation, will help us achieve our ambition to be one of the best performing, most trusted and respected consumer products companies in the world.

Syl Saller
Chief Marketing Officer

SCOPE

This code applies to all activities intended to market our beverage brands. This includes, but is not limited to:

- market research
- brand innovation and product development
- brand names and packaging
- trade advertising
- sales materials
- consumer advertising, PR, and relationship marketing
- digital, mobile and social media
- product placement and branded entertainment programmes
- brand sponsorships
- branded merchandise
- promotional activities in the on-/off-trade
- experiential marketing and events
- cocktail names and drink recipes

The term 'marketing' is used throughout this code to cover all these activities, and any other activity designed to market our beverage brands.

This updated code replaces all previous versions of the Diageo Marketing Code, with effect from 1st February 2016.

*Additional provisions, specific to the United States, are prefaced in this US edition of the DMC, with an asterisk.

1. LAWS, CODES AND POLICIES

Our marketing must:

Comply with all applicable laws, regulations and industry codes.

Comply with all other relevant Diageo codes and policies.

- a. This code sets out global minimum standards that apply everywhere.
 - b. Our marketing must also comply with the letter and spirit of all applicable national laws, local regulations and self-regulatory codes of practice to which we are a signatory.
 - i. Where local laws, regulations or codes of practice impose additional or more stringent requirements, then those additional requirements must also be met.
 - c. Our marketing must also comply with all other relevant Diageo codes, policies and standards such as the Code of Business Conduct, the Digital Code, the Data Protection Global Policy, the Responsible Research Standard, and the Consumer Information Standard.
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2. ABSTINENCE

Our marketing must:

Always show respect for those who choose to abstain from alcohol.

- a. We acknowledge that there are times in everyone's life when consuming alcohol may be unwise, and that there are people who choose not to drink at all for a variety of reasons, including cultural and religious ones. We will always respect these individual choices, and be aware of local values and sensitivities in this regard.
- b. We will not present abstinence from or moderation with alcohol in a negative manner, nor imply that it is wrong or foolish to refuse a drink, even in a humorous manner.

Promotions and events

- c. Our on/off-trade promotions will never pressure anyone to drink.
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3. ADULT APPEAL

Our marketing must:

Be aimed only at adults and never target those younger than the legal purchase age for alcohol.

Be designed and placed for an adult audience, and never be designed or constructed or placed in a way that appeals primarily to individuals younger than the legal purchase age for alcohol.

- While some countries have a legal purchase age for alcohol beverages that is younger than 18, or may set no legal purchase age limit at all, it is Diageo's policy never to target our marketing activities at people younger than the age of 18. In countries with a legal purchase age older than 18 (e.g. 21 years in the USA), we will never target our marketing activities to people younger than this age.
 - The term 'LPA' is used throughout this code to mean the legal purchase age for alcohol, or 18 where there is no LPA or where it is younger than 18.

Content

- a. Our marketing must never be designed or constructed in a way that appeals primarily to people younger than LPA.
 - i. 'Primary appeal' to persons younger than LPA may be judged as a special attractiveness to such persons above and beyond the general attractiveness it has for persons older than LPA.
- b. We will not use any image, symbol, language, gesture, music, cartoon character, person, sporting/entertainment celebrity, hero, or promotional prize or gift that appeals primarily to those younger than LPA.
- c. We will not license our brand names, logos, or trademarks for use on children's clothing, toys, games, games equipment, or other materials intended for use primarily by persons younger than LPA.
- d. We will not associate our brands with the attainment of, or 'rites of passage' to, adulthood.
- e. People appearing in our alcohol brand advertising must be over 25 years or older, and reasonably appear to be and be portrayed as 25 years or older. This also applies to 0% ABV variants of existing alcohol brands.
 - i. People aged between LPA and 25 may be sponsored, and/or appear in PR, event and promotional materials, but not in advertising.

Placement

- f. We will place our marketing in communications media and events only where 71.6% or more of the audience can reasonably be expected to be older than LPA.
 - i. We will monitor audience composition of media in which we advertise on a regular basis to ensure compliance to the highest practical level.
- g. We will take reasonable steps not to place advertising on any outdoor stationary location in close proximity to schools, except on licensed premises. Care must also be taken when considering locations in proximity to religious buildings or other locations that may be inappropriate given local sensitivities.

*In the United States, no advertising will be placed within 500 feet of an elementary or secondary school, or an established place of worship.

*In the United States, we will not market our brands on college and university campuses except in licensed establishments.

Sponsorship

- h. Diageo brands must not be used to sponsor sports, celebrities or events that appeal primarily to people younger than LPA.

Promotions

- i. People involved in promotions for our brands in the on-/off-trade must be LPA or older.
- j. Our on-/off-trade promotions and events must never be designed or constructed in a way that appeals primarily to, or offers our brands to, individuals younger than LPA.

Research

- k. No market or consumer research will be commissioned or conducted by Diageo among people younger than LPA.

See the Diageo Responsible Research Standard for further guidance.

4. RESPONSIBLE DRINKING

Our marketing must:

Depict and encourage only moderate and responsible drinking.

Incorporate responsible drinking reminders and/or initiatives.

Never depict, condone or encourage excessive or irresponsible drinking or refer in any favourable manner to the effects of intoxication.

- a. Marketing that depicts responsible drinking as a relaxed, sociable and enjoyable part of life has a role to play in promoting a responsible approach to drinking.
- b. We will not depict people drinking heavily or rapidly, or in a state of intoxication, nor imply that such behaviour is attractive or appropriate.
- c. We will avoid promoting our brands with irresponsible cocktail names or excessive quantities of alcohol.

Promotions and events

- d. Our on-/off-trade promotions will encourage responsible drinking for those adults who choose to drink, and will not support activities that encourage excessive drinking.
- e. We will not sponsor promotions involving drinking games that have speed incentives, or that require undue quantities of alcohol to be consumed.
- f. While there is nothing irresponsible about enjoying our brands neat, care needs to be taken in connection with the marketing and promotion of our brands as shots due to their potential to be consumed rapidly. A single shot may be enjoyed responsibly as part of an occasion, but we will not depict or encourage rapid or multiple shot consumption by individuals.
- g. We will not support or utilise promotional activities, packaging or drink delivery ideas that mean consumers cannot readily tell or control how much alcohol they are consuming.

Research

- h. Consumers in research will never be encouraged to drink excessive amounts, nor drink in an irresponsible way. If they are observed to drink in this manner, they will be excluded from the research immediately or this part of the research will be stopped.

- i. Diageo will provide consumers in research situations with appropriate sources of information on responsible drinking (e.g. DRINKiQ.com).

See the Diageo Responsible Research Standard for further guidance.

Responsible drinking reminders and initiatives

Advertising

*In the United States, 20% of Diageo's broadcast advertising will focus exclusively on responsible drinking themes.

- j. Clearly evident responsible drinking reminders (RDRs) are required in all above-the-line advertising for our brands. This includes television, cinema, radio, outdoor, digital, print and any other above-the-line advertising activity.
 - i. RDRs are encouraged for below-the-line marketing where appropriate.
- k. Brands may use 'Drink Responsibly', 'DRINKiQ.com', a tailored RDR unique to the brand or campaign or local market, or a combination of these. Tailored RDRs, or other website addresses as RDRs, must be cleared through Corporate Relations and Legal. Markets with government-mandated health messages and/or warnings should consult Corporate Relations to see if an additional RDR is warranted.
- l. The format of the RDR should be appropriate to the advertisement.
 - i. Television and cinema advertisements may include a clearly audible voice-over RDR, and/or a clearly visible RDR within the advertisement.
 - ii. Digital advertisements must use visual RDRs. Dynamic online banner ads that rotate through a series of 'frames' need only include the RDR in one of those frames.
- m. The size and placement of a RDR will depend on the piece of advertising and its location, but must be clearly evident.
 - i. In printed and on-screen material, the RDR should be clearly distinct from the mandatory information required by regulations, and should not be placed in any area or in any manner that is not readily visible and readable to consumers i.e. messages should not be placed vertically (sideways) on a page or billboard, or in the seam of a magazine, etc.

Sponsorships

- n. Appropriate responsible drinking reminders must be included in all sponsorship activities.
- o. Sport sponsorships must incorporate a prominent responsible drinking initiative.

Promotions and events

- p. Our promotions and events should incorporate responsible drinking reminders or initiatives.
- q. People involved in promotion of our brands must be briefed about Diageo responsible drinking and promotions standards.

Labels

- r. Where legally permissible, all new back labels and secondary packaging must include at least one and up to three responsible drinking symbols, a reference to Diageo's online responsible drinking resource DRINKiQ.com, a list of allergens, alcohol content and recycling and sustainability symbols.

See Diageo Consumer Information Standard for further guidance.

5. ALCOHOL CONTENT

Our marketing must:

Via packaging, websites, and other appropriate channels, provide clear, factual and neutral information about the alcohol content of our brands and drinks recipes, where permitted by law.

Never present high alcohol strength or potency as the dominant theme or principal basis of appeal of any marketing or product innovation.

Not imply that lower-strength alcohol beverages may be consumed in ways or situations that may be inappropriate with higher strength beverages.

- a. We will, where possible and permitted by law, provide factual and neutral alcohol content information on our packaging and via other channels such as websites (including DRINKiQ.com) and consumer care-lines.
- b. When promoting drink recipes, we will include specific liquid measures (i.e. '30ml' or equivalent local measurement rather than 'one part'), and the total alcohol content (in 'grams of alcohol' or locally recognised measure such as 'standard drinks'/'units'), expressed per serving.

- c. High alcohol strength or potency must never be the dominant theme or principal basis of appeal of any marketing or product innovation.
 - d. We will never imply that mid or lower strength beverages may be consumed in quantities, ways or situations where higher strength beverages may be inappropriate, nor that mid or lower strength beverages are healthier or more responsible choices.
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6. HEALTH, THERAPEUTIC, PERFORMANCE OR FUNCTIONAL BENEFITS

Our marketing must:

Not imply that our alcohol brands offer any health, therapeutic, dietary, functional or performance benefits.

Not imply any energy or endurance benefits, nor that alcohol is the catalyst for any change in mood or state.

Not portray or target pregnant women.

- a. We will, where practical and permitted by law, provide factual and neutral nutritional information about our products, via appropriate channels such as DRINKIQ.com.
- b. We will not imply that drinking alcohol leads to any health, dietary or functional benefits, nor that alcohol may play a role in managing weight or as part of a fitness regime, nor that consumers may consume low(er) calorie or carbohydrate beverages in excessive amounts.
- c. We will not imply that drinking enhances virility, mental ability or performance, skills or strength.
- d. We will not promote alcohol as a medicine, nor imply that alcohol has the ability to prevent, treat or cure any human disease or condition.
 - i. We will not use gifts, drinking vessels or cocktail names with medical or pharmaceutical connotations to market our brands.
- e. We will not market our alcohol brands to pregnant women nor portray pregnant women in our marketing.
- f. Our innovations must avoid any dominant theme or principal basis of appeal on the grounds of health, sexual or other similar functional benefits, or the use of ingredients with well-known or perceived health, sexual or functional qualities that would support such a theme or appeal.

- i. However, we may use ingredients which credibly deliver a specific flavour and only in sufficient quantities necessary for that flavour.
 - g. We will not market our alcohol brands as energy drinks, nor imply that consuming them (either alone or with a specific mixer) delivers energy or endurance benefits.
 - i. We will not advertise or promote our brands in a way which implies that drinking alcohol will increase stamina, make the night last longer or give a boost, nor use suggestive drink names which imply energising, stimulating or invigorating properties.
 - ii. If co-promoting our alcohol brands with an energy drink mixer, the mixer must be treated in a neutral manner just like any other mixer, no energy claims may be made, and particular care must be taken with the imagery used.
 - h. Our alcohol brands may be portrayed as the perfect choice for already energetic or relaxing occasions, but we will not imply that they are the catalyst for any change in energy, state of alertness or states of mental or physical relaxation.
 - i. We will not market our alcohol brands as thirst quenching or hydrating, nor imply or suggest that they be consumed instead of non-alcoholic beverages.
 - j. Claims about nutritional qualities of our brands may be made if they are factually correct and can be substantiated.
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7. SOCIAL AND SEXUAL SUCCESS

Our marketing must:

Not portray or imply that drinking is necessary to obtain social or other success, nor to overcome inhibitions or to be socially accepted.

Not portray or imply that drinking enhances sexual attractiveness or is a requirement for sexual success.

- a. Our brands may be portrayed as part of normal social experiences, such as the depiction of people who appear to be attractive or affluent or people who appear to be relaxing or in an enjoyable setting. Brand preference may be portrayed as a mark of discernment or good taste.

- b. However, our marketing materials will not imply that drinking is necessary to obtain social, professional, educational, athletic, financial or other success, nor to solve social, personal, or physical problems, nor to overcome inhibitions, shyness or social barriers, or to be socially accepted.
 - c. Our marketing may also portray our brands as part of a social or romantic setting, or people showing affection or other amorous gestures. However we will ensure that our marketing does not imply that drinking enhances sexual attractiveness or is a requirement for sexual success.
 - i. Implicit sexual activity, seduction scenarios, gender stereotyping and prizes or gifts that breach the spirit of these provisions must all be avoided.
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8. DRUNK DRIVING AND OTHER POTENTIALLY DANGEROUS ACTIVITIES

Our marketing must:

Only portray drinking occurring in safe and appropriate circumstances.

Never portray drinking before or whilst driving motor vehicles, operating machinery, or any other similar activity or situation.

- a. We will not depict drinking before or during activities, or in situations or locations, where drinking alcohol beverages would be unsafe or unwise.
- b. In particular our marketing must not imply that drinking alcohol is acceptable before or while operating machinery, driving a vehicle or undertaking any other occupation, endeavour, or sporting activity that requires a high degree of alertness or physical coordination in order to be carried out safely.
- c. It is fine to show adults enjoying a drink after playing sports or after engaging in any occupation or endeavour referred to above, provided it is clear the activity will not be resumed.

Non-alcoholic beverages

- d. This provision does not apply to non-alcoholic brands.
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9. ANTI-SOCIAL OR INAPPROPRIATE ASSOCIATIONS

Our marketing must:

Not portray or suggest any association with anti-social or illegal behaviour.

Not portray or suggest any association with violence.

Not portray or encourage the consumption of tobacco.

- a. Our marketing will not portray or suggest any association with anti-social behaviour, nor depict situations where beverage alcohol is being consumed illegally or in conjunction with explicit or implicit illegal activity of any kind.
 - b. We will ensure that our marketing does not portray or suggest any association with violence, including not trivialising problems associated with violence or glamorising violence.
 - c. We will not associate our brands with any activity or event where the intent is to cause harm or violence to anybody.
 - d. We will not portray or encourage the consumption of any tobacco products, nor brand or offer tobacco products or accessories as promotional gifts or prizes, nor sponsor tobacco-related events.
 - i. We will allow appropriate brand participation, such as sampling, at cigar-related venues and events, provided it is not linked to the purchase or consumption of tobacco products.
 - e. Particular care and consideration of local sensitivities must be taken when considering whether to associate our brands with gambling.
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10. GOOD TASTE AND DECENCY

Our marketing must:

Reflect generally accepted contemporary standards of good taste and decency.

Be judged from the perspective of the broader society – locally and globally.

Be sensitive to local and cultural variation.

- a. We must evaluate proposed marketing activities not solely from the perspective of the target audience, but from the perspective of the broader society - locally and globally - in which Diageo operates.
 - b. Our marketing must not employ themes that may seem harmless in one market but that may cause grave offence another market or culture.
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DIGITAL MARKETING

- a. We will only place our marketing on third-party sites where at least 71.6% of the visitors to that website are older than LPA. If a third party website does not meet the 71.6% requirement, an LPA+ registered user database may be used if available.
- b. We will use a range of available technology to target adult audiences in all digital media and to prevent access to those younger than LPA.
- c. Relationship marketing must not be sent to any individual younger than LPA.
- d. All content that is designed to be forwarded or shared by users should include a Forward Advice Notice (FAN) instructing recipients they should not forward the content to individuals younger than LPA.
- e. User Generated Content (UGC) on Diageo brand controlled sites must be monitored every working day and inappropriate content removed within 48 hours of first appearing on the site.
- f. Every Diageo brand website must include on the footer of every page a link to Diageo's online responsible drinking resource, DRINKiQ.com.

See the Diageo Digital Code for further guidance.

RESPONSIBLE DRINKING INITIATIVES

We work in a range of ways with many different stakeholders to promote responsible drinking and combat alcohol misuse such as drunk driving, excessive drinking, underage drinking and irresponsible serving of alcohol. DRINKiQ.com is our online global resource that supports this work through the sharing of best-practice tools, information and initiatives.

We also encourage our in-market companies and global brand teams to develop and implement consumer initiatives designed to reduce alcohol related harm.

These initiatives are also subject to this code. However, where these initiatives seek to portray the consequences of irresponsible or excessive drinking then, in consultation with Corporate Relations, the following code provisions may be applied flexibly, only in the manner specified below, in order to ensure optimally effective consumer awareness initiatives:

- Provision 3 to allow people aged LPA+ to appear in corporate-branded responsible drinking advertising;
- Provision 4 to show the downside or consequences of excessive or irresponsible drinking;
- Provision 8 to show the downsides or consequences of drunk driving or other similarly dangerous activities; and
- Provision 9 to show potential downsides or consequences associated with excessive drinking, such as violence, aggression or anti-social behaviour.

MARKETING CODE COMPLIANCE

- Compliance with the marketing code is mandatory for all employees of Diageo, our subsidiaries and joint ventures where Diageo has a controlling interest.
- It also applies to third party agencies, contractors and consultants engaged by, representing or acting for (or on behalf of) Diageo, and our third party distributors who are responsible for or are involved in the marketing activities and marketing of our brands.
- We must follow all provisions of this code and should never cause, authorise or overlook breaches of the code by others. Our in-market companies may strengthen this code to address different or specific issues in their

market. These provisions must be in addition to, not in place of, the standards set out in this code.

Responsibility

- a.** All aspects of code compliance are the fundamental responsibility of the general manager and marketing director in all our in-market companies, and global brand teams.
- b.** Advertising, promotions and PR agencies, market research companies, media buyers, and all other external marketing suppliers, must receive a copy of the DMC and must undertake to abide by its provisions in any work they do on our behalf. The requirement to comply with the DMC must be included in the written terms and conditions of all marketing supplier contracts and in all activity/project briefs. Diageo project leaders are also responsible for briefing and guiding their suppliers and for ensuring they comply with the DMC throughout the term of the project.

Review and approvals

- c.** Marketing code sign-off is required for all marketing materials and activities, in every market in which they are run. Activities or materials previously signed off in another in-market company or global brand team must be reviewed and signed off against the DMC locally before the materials are released in a different territory.
- d.** Marketing directors are accountable for ensuring that their teams follow an effective DMC sign-off process to ensure that all materials released in their territory fully comply with the letter and spirit of the code.
 - i.** DMC review and sign-off must also be included at each key stage of the innovation process.
- e.** Diageo's online approval tool, SmartApprove, must be used to facilitate DMC review and archival of approvals wherever possible.
- f.** If the evaluation of a DMC-related issue reaches a stalemate, the decision must be escalated in the following manner (depending where the stalemate originates):
 - i.** In-market Marketing and Corporate Relations Directors, if not resolved then to -
 - ii.** Global Marketing and Corporate Relations Directors. If not resolved at this level, the Chief Marketing Officer makes the ultimate decision.

Training

- g.** Our in-market companies and global brand teams must establish regular training programmes for all those involved in Marketing, Trade Marketing, Consumer Planning, Innovation, Corporate Relations and for relevant members of the Sales teams (Sales Directors as a minimum).
- h.** Newly recruited staff should receive DMC training as part of their induction, and regular, in-depth refresher training must be provided for all relevant staff (every 12-24 months).
- i.** DMC training should be offered to support supplier, agency, third party and distributor compliance where appropriate.

Controls

- j.** DMC sign-off and compliance processes must be formally reviewed on an annual basis in every in-market company and global brand team.
- k.** In case of a breach, an additional review should be undertaken immediately. Questions on interpretation or application of the DMC should initially be addressed to the in-market Corporate Relations and Marketing Directors. These can be further escalated to Global Corporate Relations and the Chief Marketing Officer if necessary.
- l.** Any criticism of Diageo's marketing activities should be reported immediately to the in-market Corporate Relations and Marketing Directors, and the Global Head of Responsible Marketing and Innovation, in order to review the material in question, take remedial action if necessary, and ensure our commitment to responsible marketing and effective self-regulation is maintained.
- m.** Any breach of the DMC is also considered to be a breach of the Code of Business Conduct and should be reported promptly through the routes described in the code.
- n.** Any material suspected to be in breach of the DMC will be reviewed and any breaches will be dealt with in accordance with the Diageo internal investigation policy and local disciplinary policies, as permitted by law.
- o.** Diageo employees can also raise concerns with their line manager, local Controls, Compliance & Ethics Manager, Global Risk & Compliance, or make a confidential report using SpeakUp.

For further information on the Diageo Marketing Code or compliance issues, contact the in-market Diageo Corporate Relations team. Advice is also available from:

Corporate Relations

600 Pennsylvania Avenue, SE, Suite 304
Washington, DC 20003

Tel: 202 715 1105

Fax: 202 715 1114

Copies of the Code, and further information, can also be found at **www.DRINKiQ.com**

In addition to the Diageo Marketing Code, Diageo adheres to the voluntary code of its trade association, the Distilled Spirits Council of the United States (DISCUS). DISCUS' Code of Responsible Practices for Beverage Alcohol Advertising and Marketing applies to the distilled spirits, beer and wine brands marketed by DISCUS members and non-member distilled spirits brands, the US.

The DISCUS Code provides for a Code Review Board that is charged with reviewing complaints about advertising materials in the marketplace. To make the distilled spirits industry's process more transparent to the public, DISCUS publishes semi-annual public reports detailing complaints against specific marketing material, decisions of the industry's internal review board and actions taken by each advertiser. This information is also posted on the DISCUS website.

For information regarding the DISCUS Code and how to file a complaint, go to: **www.discus.org/responsibility/code.asp**