



BEAM

GLOBAL SPIRITS & WINE, INC.

MARKETING CODE OF PRACTICE



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INTRODUCTION

Beam Global Spirits & Wine proudly produces and markets some of the world's finest beverage alcohol products in many countries around the globe.

Production and consumption patterns differ widely from one country or region to another and particularly with regard to different categories of beverages, all of which have their own individual characteristics and place within respective local cultures. With this in mind, the Beam Global Spirits & Wine Marketing Code of Practice demonstrates our commitment to the responsible advertising and marketing of our brands.

As a global leader in premium spirits and wine, we offer our consumers the keys to responsibility through drink smart® (www.drinksmart.com). Likewise, all of our Beam Global Spirits & Wine personnel should familiarize themselves with this Code and the principles of drink smart® in order to convey a message of responsibility, both in consumption and in our marketing and advertising.

In 2007, we introduced an updated Marketing Code of Practice further emphasizing that responsible marketing of our products is at the core of our commercial purpose. This fundamental operating principle has been reflected in updates to the Code.

Being socially responsible is a way of doing business at Beam, and demands constant focus. Thus, we have published an updated Global Marketing Code strengthening some of the critical guidelines for how we conduct business.

As we grow our business around the world, we will continue leading the way in responsible consumer communications through the highest standards of responsible marketing practices.

PURPOSE OF CODE

The purpose of this Code is to set the standard for responsible marketing and advertising directed to legal purchase age (LPA) adults who choose to drink.

Our objectives for sales, marketing, promotion and advertising activities are to compete for brand choice among LPA consumers, and to deliver responsible communications that speak to those consumers.

Our commitment to responsibility is demonstrated by upholding the highest standards in brand marketing and reminding legal purchase age adults who choose to consume beverage alcohol to do so with respect and in moderation.

In many countries, there are national or regional advertising and marketing codes, laws and regulations, both mandatory and self-regulatory. This Code is intended to complement these local codes and requirements while also providing responsible company standards in countries where marketing codes and local regulations are not yet in effect.

Our Code and the principles it contains also provide guidance to those with whom we do business, to help ensure our brands are marketed and promoted in a responsible manner to legal purchase age adults. We also expect and require our partners to employ the high standards we have set for the promotion and sale of our brands.

SCOPE

Compliance with this Code is mandatory for all units of Beam Global Spirits & Wine, Inc.

This Code applies to all our beverage alcohol products, including those sold on behalf of third parties.

This Code applies to all brand advertising, consumer communications, trade advertising, promotions (both on- and off-premise), sampling, merchandising, brand websites and direct marketing, point-of-sale materials, brand innovation, consumer planning and research, consumer public relations, events, sponsorship activities and product placement.



CORE PRINCIPLES

Advertising and marketing must:

- Be directed to legal purchase age adults.
- Have content which is designed to appeal to people of legal purchase age and is never intended to appeal to people below the legal purchase age.
- Be placed in media outlets and locations where at least 70% of the audience are reasonably expected to be adults of legal purchase age. This percentage may be higher in some markets (e.g. United States where the Media Placement Standard is 75% of LPA, reaching an annual aggregate of 85% of LPA).
- Be legal, decent and truthful, conforming to the accepted principles of fair competition and good business practice.
- Maintain social and ethical standards with respect to gender and cultural differences among target consumers.
- Reflect Beam Global Spirits & Wine's commitment to social responsibility.

1. Responsible Consumption:

Advertising and marketing must:

- Present our brands to consumers in a responsible manner.
- Not encourage excessive or irresponsible consumption or present abstinence or moderation in a negative way. This applies to the amount of beverage alcohol being consumed as well as the manner in which it is portrayed.
- Never suggest any association of alcohol consumption with violent, daring, dangerous, unruly or anti-social activities.
- Never suggest any association with illegal drugs or drug culture.
- Not suggest, condone or promote intoxication or excessive drinking.
- Not be directed to pregnant women or women trying to become pregnant.

2. Directing Marketing and Advertising to Legal Purchase Age Adults:

Advertising and marketing must:

- Be directed to adults of legal purchase age.

- Have content appealing to those legal purchase age adults.
- Not depict children or portray objects and images, such as Santa Claus or cartoon figures, that primarily appeal to persons below the legal purchase age.
- Not employ event staff or volunteers below the legal purchase age.
- Not appear in sections of newspapers, magazines or other publications or programming that might specifically appeal to those under the legal purchase age (e.g. comic pages).
- Not employ or utilize religion or religious themes in a demeaning manner.
- Not be associated with attainment of adulthood or the “rite of passage” for those under the legal purchase age to reach adulthood.
- Employ actors and models in advertisements, promotional materials or point of sale, proven to be at least 25 years of age, substantiated by proper identification and must also reasonably appear to be over the legal purchase age.
- Not use the term “Spring Break” in promotional related activities or materials. This is a term synonymous with spring recess/vacation from school for those under the legal purchase age in North America.

3. Responsibility Messaging:

Advertising and marketing must:

- Illustrate a responsible drinking message horizontally. This message should be clearly legible and noticeable to consumers.
 - Placement and message will vary across marketing materials and will be determined by the size and material of the communication element. Further guidance is provided in the Social Responsibility Statement Execution Guidelines document on the *Beam Global Stir Portal*.
 - The only exception is when the item is so small that the message would be illegible and no other creative alternatives exist for inclusion.



4. Hazardous and Dangerous Activities:

Advertising and marketing must:

- Not encourage or condone driving mechanically propelled vehicles or operation of potentially dangerous machinery while under the influence of alcohol.
- Not depict beverage alcohol consumption with participation in activities that could be particularly dangerous while consuming alcohol, such as swimming, sailing, bicycle riding, skiing, horseback riding; or the performance of potentially hazardous activities of any kind which require a high degree of alertness or physical coordination.

Advertising and marketing may:

- Suggest or depict consumption of beverage alcohol as part of relaxing or celebration after active recreation or work, as long as the setting and depiction make it reasonably clear that the activity requiring alertness or coordination has ended. One example would be an “après-ski” celebration in a ski lodge.

5. Performance, Medical and Therapeutic Claims:

Advertising and marketing must:

- Not create the impression that consumption of alcohol enhances mental ability or physical performance.
- Not suggest alcohol has medicinal and therapeutic qualities.
- Not attribute the ability to prevent, treat or cure a human disease to alcohol or refer to such properties.

6. Alcohol Content:

Advertising and marketing must:

- Not misrepresent the alcohol strength of the brand or its alcohol content.
- Only display truthful information on alcohol strength and not emphasize alcohol strength as a positive attribute of the brand.



- Not imply that consuming brands of low alcohol strength will avoid abuse or intoxication.

7. Social Content:

Advertising and marketing must:

- Not suggest the success of an occasion depends on the presence or consumption of alcohol.
- Not contain claims that individuals can attain social, professional, educational or athletic success or status as a result of beverage alcohol consumption.
- Not create the impression that consumption of alcohol will increase confidence, popularity or social success.

Advertising and marketing may:

- Be portrayed as part of responsible personal and social experiences.

8. Sexual Content:

Advertising and marketing must not contain or depict:

- Alcohol consumption as enhancing sexual attractiveness or as a requirement or enhancement for sexual success.
- Graphic or gratuitous nudity, overt sexual activity, promiscuity or sexually lewd or indecent images or language.
- Words or imagery that may offend local and generally prevailing standards of taste and decency.

Advertising and marketing may:

- Be portrayed in a manner depicting people in a social or romantic setting showing affection, or who appear to be affluent or attractive.

9. Consumer Research Policy:

- All consumer research will be conducted only with consumers of legal purchase age. No effort will be made to learn about consumers' habits, practices, beliefs or any other points of view about alcohol brands as they held them prior to reaching legal purchase age.
- Consumer research from a specific market cannot be utilized in brand planning for

markets where the legal purchase age is higher than the legal purchase age in the market where the research was conducted, unless all research participants are over the LPA in both markets.

10. Product Innovation and Presentation:

- Beam Global Spirits & Wine will not develop or promote its brands as so-called “energy drinks”.
- The company will not promote its brands with any products marketed as energy drinks.

11. Promotional Events, Sampling and Sponsorships:

- Promotional & sponsorship activities must not encourage irresponsible, excessive or illegal consumption.
- In line with other elements of this Code, the company will ensure that promotional and sponsorship activity:
 - Is targeted at legal purchase age adults.
 - Maintains social and ethical standards with respect to gender and cultural differences among target consumers.
 - Meets all national (and local) legal and regulatory requirements, including charitable fundraising laws.
- Specifically, promotions cannot encourage:
 - Rapid drinking
 - Drinking and driving
 - Binge drinking
 - Exceeding any recognized government consumption guidelines
 - Intoxication
- Branded merchandise will not be offered to those under the legal purchase age and should not have a primary appeal to those under LPA.
- The company will only engage in promotions, samplings and sponsorship when at least 70% of the audience in the setting can be expected to be of LPA. This percentage may be higher in some markets (e.g. United States where the standard is 75% of LPA, reaching an annual aggregate of 85% of LPA).
- When organizing sampling or promotional events, the following guidelines should

be followed:

- Sampling of beverage alcohol must not be offered to those under the legal purchase age.
- Prior to undertaking any sampling activity, all necessary approvals must be obtained (including any necessary licence and/or regulatory approvals).
- Care should be taken to ensure that consumers are not incentivized or rewarded to drink excessively or irresponsibly and that samples or promotions do not encourage excess of any recognized daily consumption guidelines.
- All sampling personnel must be of legal purchase age, have been briefed on the company Code, and understand local/regional laws & regulations.
- Consideration should be given to providing water, or non-alcoholic drinks and light snacks, where allowed.
- Any sponsorship involvement with activities that might be hazardous after alcohol consumption (e.g. motor sports) should ensure that no link is made suggesting that alcohol consumption is appropriate while undertaking such activities; nor that success in these pursuits is enhanced by alcohol consumption.



12. Electronic/Digital/Direct Marketing:

- The standards of the Code apply to all media platforms, including digital media, which is used to transmit commercial communications made or generated by *Beam Global Spirits & Wine*. Guidelines for digital direct marketing, such as third-party web-sites, blogs, and mobile phone & text messaging can be found on the Beam Global Stir Portal/Digital Marketing Guidelines.
- Given the rapidly changing pace of digital media, the policies outlined may not always address a particular situation. Where our policies do not cover a specific circumstance, clearance process

must be followed through Marketing, Corporate Affairs, Legal and/or Industry Affairs.

13. Product Placement:

Product placement in films, television or stage will be considered if:

- The film, television or stage production is targeted to an adult audience.
- Content does not prominently feature or glorify underage drinking, excessive drinking or other irresponsible consumption such as driving while intoxicated.
- Content does not prominently feature or glorify violence or aggression linked to alcohol consumption.
- Primary characters are of legal purchase age.
 - Exceptions may be made on a case-by-case review and assessment of overall thematic content.

Product placement will only be approved if:

- Sufficient information is provided to prove the specific scene and setting in which the brand(s) will be featured and the overall context in which the brand and the character(s) consuming beverage alcohol in the production are compliant with the social responsibility guidelines outlined in this Global Code.
- Written consent is provided to producers and film companies to use our brands. If a script is deemed inappropriate, written communication must be sent to the relevant party denying permission to use the brands.



14. Licensing & POS:

The following are examples of items which are inappropriate for point-of-sale, merchandising or licensing:

- Materials primarily targeted toward persons under the legal purchase age, except branded adult-oriented games.
- Confectionery, except for fancy chocolates or other

confectionary items which are clearly intended for adults.

- Sexual paraphernalia, e.g., condoms.
- Drug-related paraphernalia.
- Guns, knives or items generally referred to as weapons, except tools or cutlery items for culinary purposes and adult sporting activities.

15. Compliance Procedures:

- All Beam Global Spirits & Wine personnel must be familiar with this Code and comply with all its provisions.
- Advertising agencies, market research companies, media buyers and other third parties involved with the marketing and advertising of our brands must receive a copy of this Code and must abide by its provisions in any work they do on behalf of the company and its brands.
- All Beam Global Spirits & Wine personnel responsible for marketing and promotional materials and activities are required to adhere to this Code and complete periodic training, including but not limited to annual registration on the Code training section of the drink smart® website (www.drinksmart.com).
- All regional businesses must establish and adhere to processes (including utilization of the drink smart® web-based training system), to ensure compliance to the letter and the spirit of this Code, local laws and regulations, consumer promotions and privacy laws, intellectual property laws and best practices, and applicable national and regional advertising marketing codes.
- Code compliance is the fundamental responsibility of the general managers responsible for our in-market businesses, and covers all marketing, advertising and promotional materials and activities in the on- and off-trade and is required for brand innovation activities, brand launch campaigns, consumer public relations and all other brand communication activities.
- Complaint procedures for alleged non-compliance with the Beam Global Marketing Code are included on the corporate website (www.beamglobal.com) to allow interested parties to register potential grievances confidentially.
- Beam Global Spirits & Wine will evaluate alleged grievances regarding Code compliance registered with the company and record and respond to the parties registering such grievances, as deemed appropriate.

CONTACT INFORMATION

For further information on the Beam Global Spirits & Wine Marketing Code of Practice, or other compliance issues, please contact the local in-market general manager or

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