# Charter on Responsible Alcohol Consumption

First year progress report

November 2006







#### **ABOUT THIS REPORT...**

When the European Spirits Organisation – CEPS, adopted its Charter on Responsible Alcohol Consumption in November 2005, it committed to report annually on progress made in implementing its commitments included in the Charter. This is the first such annual report. It is a public document whose objective is to inform accurately all interested stakeholders of the European spirits industry's progress in promoting responsible industry behaviour and the responsible consumption of spirit drinks.

The report includes information gathered from November 2005 up until mid July 2006. The information contained in the report has been received from the European Spirits Organisation – CEPS, its national members, Social Aspects Organisations (SAOs) and individual spirits producers. Published sources include the Drinks Industry Initiatives Brochure 2006<sup>1</sup>, the Canadean Report<sup>2</sup>, The Advertising Compliance Monitoring Report 2005<sup>3</sup>, and further sources listed in the Annexes to this document.

In order to illustrate good industry practice, the report makes use of national case studies under each Charter commitment. It is obviously neither possible nor practical to highlight all best practice examples in this first report. Readers interested in learning about other case studies not cited in the body of the report are invited to visit the European Spirits Organisation – CEPS website on <a href="https://www.europeanspirits.org">www.europeanspirits.org</a>.

To ensure that the information contained in this report is fairly stated, it has received assurance from KPMG Sustainability.

<sup>&</sup>lt;sup>3</sup>The report is available on <u>www.efrd.org</u>. This is an on-going exercise and the monitoring results of adverts published in 2005 should be available by the end of 2006.



<sup>&</sup>lt;sup>1</sup>The Drinks Industry Initiative Brochure 2006 was published in September 2006. It provides an overview of the activities undertaken by spirits companies themselves or through other industry funded bodies in Europe. It is available at <a href="https://www.europeanspirits.org">www.europeanspirits.org</a>.

<sup>&</sup>lt;sup>2</sup>The Canadean Report on Responsible Marketing of Alcoholic Drinks in Europe was published in April 2005.

## **Table of Contents Foreword by the President** 3 The European Spirits Organisation – CEPS 4 **Executive Summary** 5 **Commitment 1: Responsible Drinking Messages** 7 **Commitment 2: Codes of Conduct on Marketing of Spirit Drinks** 9 **Commitment 3: Product Development** 13 **Commitment 4: Underage Drinking** 16 **Commitment 5: Drinking and Driving** 19 **Commitment 6: Education** 22 **KPMG Assurance Report** 26 **Members of the European Spirits Organisation – CEPS** 28 Annex to Commitment 1: Responsible Drinking Messages in the EU 30 **Annex to Commitment 2: Status of Self-Regulation of Advertising** 32 Annex to Commitment 6: Responsible Drinking Guidelines in the EU 37





## Foreword by the President



It is a great honour for me as President of the European Spirits Organisation – CEPS, to take this opportunity to present the first report on the implementation of the CEPS Charter on Responsible Alcohol Consumption. The CEPS Charter represents a first for the EU spirits industry and sets a self-regulatory precedent among the entire EU alcohol industry, of which we are extremely proud.

For those of you who are unfamiliar with the European Spirits Organisation – CEPS and the principles laid down in the CEPS Charter, let me briefly set out for you the Charter's main goals and cornerstones for action: in short, the EU spirits industry will strive to ensure that 75 % of all members' advertising will carry responsible

drinking messages by 2010; all members will adhere to the updated principles of the European Forum for Responsible Drinking (EFRD) 'Common Standards on Commercial Communications'; drink driving campaigns and server training schemes will be promoted; work with the authorities to better implement and enforce minimum purchase age legislation will be undertaken; clear definitions of sensible drinking levels and guidelines will be agreed and more widely communicated and an annual public report on the implementation of the Charter will be published.

In this first year after adoption of the Charter, CEPS has concentrated its efforts on:

- → Wide communication about the Charter to its own membership and external stakeholders;
- → Getting a clear and accurate understanding of where CEPS members stand on implementation of the principles of the Charter and what efforts are required in each market in order to ensure full implementation of the Charter by 2010.

CEPS was delighted that Commissioner Kyprianou met with us to learn more about the Charter in February and his support for and comments on the initiative helped ensure the success of our own internal industry seminar on the Charter in March. Whilst the prime purpose of this seminar was for CEPS to discuss in detail within its membership the commitments the Charter required, the desk research which went into preparing it marked the start of the process of gaining an accurate understanding of precisely where we stand in terms of implementation. The culmination of the feedback from that desk research and subsequent extensive bilateral discussions with members and national visits is the report before you.

As you will learn from the report, the EU spirits industry has already come a long way in achieving many of the goals set out in the Charter, but there are still many challenges which remain. This is particularly true in many of the new EU Member States where there is no or a limited history of self-regulatory codes of conduct and practices. It is our commitment that, with the help of those national associations and CEPS member companies who are already well advanced in delivering on their CEPS Charter commitments, these Member States too will fully reach the targets of the CEPS Charter.

I would also like to use this opportunity to thank KPMG Sustainability for their dedication and help given to the European Spirits Organisation – CEPS in not only providing assurance that the information in this first report is fairly stated, but also for providing us with their views and expertise on social responsibility, best practice and reporting. We believe that the report before you is an honest and accurate assessment of where the European Spirits Organisation – CEPS stands in terms of implementing the commitments it signed up to in 2005.

Finally, I want to thank the European Forum for Responsible Drinking (EFRD) for the provision of their expertise and financial resources without which this report would not have been possible.

Philippe Mouton President





## The European Spirits Organisation - CEPS

The European Spirits Organisation – CEPS is the voice of the European spirits industry. Its membership stems from 38 national member associations representing the spirits industry in 29 countries, in addition to a group of the largest international spirits companies.

#### THE OBJECTIVES...

The mission and core objectives of the European Spirits Organisation – CEPS can be summarised as follows:

- → To promote the responsible consumption of alcoholic beverages;
- → To secure appropriate EU legislative conditions for the production, marketing, distribution and sale of spirits within the EU;
- → To secure non-discriminatory treatment of spirits in comparison to other alcoholic beverages;
- → To secure free and fair access for EU spirits in third country markets;
- → To increase awareness of the EU spirits industry and its vital economic role.

#### THE STRUCTURE...

#### ) General Assembly:

The General Assembly is the main decision-making body which endorses the organisation's annual Strategic Plan. The General Assembly consists of all member associations of the organisation with each full member being represented by one or more permanent delegates, who may also be assisted by one or more experts.

#### ) Council:

The Council is the main managerial arm of the organisation, overseeing that the Strategic Plan is fulfilled. It consists of one representative per member country as well as one member representative for the body of member companies.

#### ) Standing Committees:

There are four Standing Committees and most notably, for the purposes of this report, the Standing Committee on Alcohol and Society which is responsible for the day to day implementation of the CEPS Charter on Responsible Alcohol Consumption.





## **Executive Summary**

This first annual report on the implementation of the CEPS Charter provides an overview of where each national CEPS member country stands in relation to each commitment made in the Charter. In order to be able to measure the European spirits industry's progress going forward until 2010, it is necessary to first provide a detailed analysis of the starting point. Progress made on each commitment will be the subject of future annual implementation reports – the first to be published towards the end of 2007. This is not to say that important progress has not been made at the national level over the last year. A major new drink drive initiative in France, a first drink drive campaign in Estonia, responsible drinking messages in Ireland, the establishment of the Drinkaware Trust in the UK are but a few of the important new responsibility initiatives recently introduced.

In summary, the level of commitment of the EU spirits industry to promoting responsible behaviour is already widespread: of the 24 EU Member States represented in the European Spirits Organisation – CEPS (Lithuania is not yet a member), 22 have some form of spirits industry backed responsibility initiative in place.

Looking at the Charter commitments one by one, it is in the area of drink driving initiatives that progress is most developed. Drink driving campaigns with important spirits industry involvement exist in all but seven CEPS member countries. In four of those seven countries, drink driving campaigns are well established, but not with spirits industry involvement. Part of the challenge for the spirits industry going forward on this commitment will not only be improving on the impressive level of commitment which already exists, but maintaining that level after EU funding and support for drink driving campaigns is withdrawn in 2007.

Advertising codes of conduct constitute another Charter commitment where the situation is already well developed. Whilst they do not necessarily yet incorporate all elements of the CEPS Charter commitment on advertising self-regulation (as contained in the Common Standards of the European Forum for Responsible Drinking), all but seven CEPS member countries have a code on advertising self-regulation in place. Of the seven countries which do not, restrictions on spirits advertising are such that in three (Finland, Poland and Slovenia) the relevance of a self-regulatory code may be questionable.

The commitment to introduce responsible drinking messages on advertising is also unfortunately undermined in those markets where spirits advertising is prohibited or severely restricted. That said, responsible drinking messages are already established practice amongst CEPS members in eight markets. Elsewhere the practice exists but not throughout the industry or CEPS member association and the 75 % target has not yet been achieved. In four CEPS markets where advertising is not either prohibited or severely restricted, responsible drinking messages have still not been introduced.

Linked to the responsible drinking message commitment is the commitment to define and better educate consumers on what is meant by sensible drinking. Education initiatives and, as such, good industry practice examples, exist in a majority of CEPS member countries. The challenge will be extending the practice to other markets.

Server training campaigns and initiatives are less widespread than drink driving campaigns. Whilst the extent to which these initiatives succeed clearly depends partly on the willingness of the retail and hospitality sector to cooperate, some good industry practice examples within the spirits industry do exist in eight CEPS member countries and these must form the basis for pilot initiatives to be introduced elsewhere.



Whilst many codes of conduct apply the same rules to naming, labelling and packaging as they do to advertising, the most challenging component of the CEPS commitment on product development is the extent to which CEPS members can themselves ensure that irresponsible products can be removed from the market. In some countries, most notably the UK, systems do exist to guarantee that products which fail to conform to self-regulatory codes will be withdrawn from the market thanks to the support of retailers. Elsewhere no formal system exists and attempts to introduce such a system may fall foul of local competition law. This requires further investigation on a market by market basis.

The above is a summary of the situation by Charter commitment and challenges ahead. Looking at the situation by country, no CEPS member, with the possible exception of the Netherlands, can claim to have implemented every single Charter commitment and even if they have or are close to doing so, this will not stop them from trying to improve further on existing initiatives or introduce new ones. Not surprisingly, the CEPS members where the challenge to implement the Charter will be greatest are primarily from the new EU Member States where the entire concept of industry self-regulation is less developed. CEPS member countries and companies with more experience in responsibility initiatives have committed to provide the new Member States with the support they need in this task.

As a first step, CEPS is preparing a toolkit which will provide a practical guide with recommendations, based on existing best practice examples, on how to implement the Charter, commitment by commitment. As in 2005 and 2006, CEPS will then organise a seminar for its members where the toolkit will be presented and discussed. During the course of 2007, CEPS will also pay market visits to all members to agree with them clear timeframes and national Charter implementation plans.

Based on the encouraging existing levels of activity as described in this report and the strong support expressed by all CEPS members to proving the European spirits industry's commitment to responsible behaviour, CEPS remains confident that the Charter commitments can be implemented by the 2010 deadline.





## Commitment 1: Responsible Drinking Messages

All European Spirits Organisation – CEPS members agree to promote the responsible consumption of spirit drinks. By 2010, where permitted under national law, 75 % of advertising (print including billboards, TV/cinema and website) undertaken by members will include responsible drinking messages. The form, content and size of the communication will be up to individual members to decide, but it must be clearly visible to consumers and it is strongly recommended that these decisions are taken in consultation with relevant national stakeholders.



#### 1. SUMMARY OF STATUS ACROSS THE EU

The use of responsible drinking messages (RDMs) is well established in eight EU Member States. A detailed overview of the situation is provided in the Annex to Commitment 1. In almost all markets where they are established, industry-wide voluntary RDMs incorporate a standardised message with rules concerning their placement and size. In a majority of cases, these messages and rules have been discussed with other relevant stakeholders, ranging from regulators to consumers, before their introduction.

In assessing the extent to which the commitments of the CEPS Charter have been fulfilled for the use of RDMs, CEPS members fall into three categories:

→ Markets where the 75 % target has been achieved⁴:

This is the case in Belgium, France (at least in the media outlets where spirits advertising is permitted by law), Greece, Ireland, the Netherlands, Portugal, Spain and the UK<sup>5</sup>.

→ Markets where the 75 % target clearly does not apply or may be considered irrelevant:

There are two instances where the 75 % implementation target may be or is clearly irrelevant:

- (a) In markets where advertising for spirits is prohibited, an RDM on advertising is obviously not possible; this is the case in Finland<sup>6</sup>, Poland (with the exception of point-of-sale promotions) and Sweden<sup>7</sup>;
- (b) In markets where it is mandatory to carry health warnings on advertising, it is recommended that CEPS members further research the possibility to introduce RDMs as well. This is the case in Latvia. RDMs which represent positive messaging are, in CEPS' opinion, far more effective in influencing behaviour than the negative messaging approach characterised by health warnings. In France, where mandatory warning statements on advertising also exists, industry voluntarily agreed to also introduce an RDM.
- → Markets where the 75 % target has not been achieved:

This includes examples both of countries where RDMs are applied but not at the required 75 % level (for example Austria, Germany, Denmark, Hungary and Italy), and countries where RDMs do not yet exist at all.

<sup>&</sup>lt;sup>7</sup> According to The Swedish Alcohol Act (SFS 1994:1738), advertising of alcoholic beverages which contain more than 15 % aby is not allowed.



<sup>&</sup>lt;sup>4</sup>In all these markets, whether by legislation or self-regulatory industry agreement, European Spirits Organisation – CEPS member spirits companies must include RMDs on all advertising. However, in some cases, existing rules do not yet cover website advertising.

<sup>&</sup>lt;sup>5</sup> Data from the UK shows that RDMs are used on 75 % of advertising measured in terms of advertising spend. It is not yet clear whether the 75 % target has been reached in terms of number of advertisements.

<sup>&</sup>lt;sup>6</sup>Direct and indirect advertising and sales promotion of alcoholic beverages of over 22 % alcohol by volume (abv) is prohibited. Products with an abv between 1.2 % and 22 % are subject to restrictions on content and place in all media.



#### 2. CASE STUDY

In Belgium the associations of drinks producers, drinks distributors, the catering sector, the Belgian self-regulatory body, a consumer organisation and a consumer research and information institute concluded an "Agreement on Behaviour and Advertising of Drinks Containing Alcohol". This includes an agreement on the use of RDMs in any form of commercial communications directed at the consumer. Positioning, character type and size, and different messages are regulated under this agreement. For spirit drinks the following message applies "Notre savoir-faire se déguste avec sagesse" (Our product should be drunk with discernment). The agreement will be put into a Royal Decree. Under this agreement, all media channels under its scope must carry the RDM mentioned above.





#### 3. NEXT STEPS

The European Spirits Organisation – CEPS' efforts going forward will clearly concentrate on those countries where RDMs are applied only by some companies or not at all.

The European Spirits Organisation – CEPS has started and will continue to negotiate a timeframe with these countries which aims at ensuring implementation of this Charter commitment by 2010. The recommendation will be that the local CEPS member will initiate a process that will lead eventually to a consensus among its membership to use RDMs for the set of commercial communications media specified in the Charter. Where possible and appropriate, this process could be undertaken in consultation with other alcoholic beverage producers and sectors with a view to an eventual industry-wide commitment. This process may need to include some consumer research to find out what type of messages are easy to understand and credible in the market concerned.

As well as a timeframe for implementation on each form of commercial communication, the local member will also need to determine the RDM character type and size as well as the positioning for different media and formats. In 2007, the European Spirits Organisation – CEPS will produce guidelines on the introduction of RDMs based on best practice examples, in order to assist those markets where further work is required to implement this commitment of the Charter.





## Commitment 2: Codes of Conduct on Marketing of Spirit Drinks

All European Spirits Organisation – CEPS members will ensure that no form of commercial communication about their products should encourage or condone the excessive consumption or misuse of spirit drinks or specifically target underage drinkers. All members fully adhere to the principles enshrined in the EFRD 'Common Standards on Commercial Communications'.

These principles cover: Misuse; Underage drinking; Drinking and driving; Hazardous activities; Workplace and recreation; Health aspects; Pregnancy; Alcohol content; Performance; Social success; Sexual success.

All national codes of conduct in all EU Member States should incorporate as a minimum, the principles laid down in these Common Standards by 2010, taking into account the specificities of existing self-regulation mechanisms. Whilst enforcement of national codes can only be down to national law and practice, systems must exist at the national level to ensure compliance amongst members. Members should also play a role in establishing national systems whereby irresponsible behaviour by non member spirits producers can be condemned or limited.



#### 1. SUMMARY OF STATUS ACROSS THE EU

Codes of conduct that either cover all alcoholic beverages or spirits alone are in place in almost every EU Member State (with the exception of heavily regulated markets where all forms of advertising are prohibited). A detailed overview is provided in the Annex to Commitment 2.

In most of the EU, the general code on advertising is managed by the local Self-Regulatory Organisation (SRO)<sup>8</sup> and includes provisions and sections that are specific to alcoholic beverages. In a smaller number of countries, the code owner is a national member of CEPS or the local Social Aspects Organisation (SAO)<sup>9</sup>. SROs offer complaint mechanisms to handle complaints on advertising and other commercial communications such as promotions. In several countries, the national CEPS member and the local SRO have agreed that the SRO handle all complaints launched under the code owned by the spirits organisation.

Some existing codes of conduct do not cover all types of media, point-of-sale promotion, sponsorship and internet.

Provisions on naming, packaging and labelling are usually included in those codes that are owned by the CEPS member and/or the SAO.

The new/revised provisions adopted by the European Forum for Responsible Drinking (the 70/30 rule<sup>10</sup>, the 25 years minimum age for models depicted in alcohol adverts, and provisions relating to pregnancy) are not yet widely implemented in existing national codes.

- <sup>8</sup> A Self-Regulatory Organisation (SRO) is a body set up and funded by the advertising industry/advertisers agency and media to apply a code or rules regulating advertising content. Name and contact details are available at <a href="https://www.easa-alliance.org">www.easa-alliance.org</a>.
- <sup>9</sup> Social Aspects Organisations (SAO) are drinks industry funded organisations. They aim to promote sensible drinking, to help reduce alcohol misuse, to foster a balanced understanding of alcohol issues and some of the SAOs are also involved in promoting responsible marketing. A list of the national SAOs operating in the EU is available at <a href="https://www.efrd.org">www.efrd.org</a>.
- <sup>10</sup>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 aged 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 reasonably expected to be minors. (In the past, alcohol beverages could be advertised on media where at least 50 % of the audience was over 18 years).





There are five different types of local situations across the EU Member States relating to codes of conduct:

- **Level 1** includes those countries where this Charter commitment is already implemented, namely in the Netherlands.
- **Level 2** includes those countries where only relatively minor changes to their framework appear to be necessary to implement all commitments of the Charter, most notably, the age threshold for minors, the minimum age for models used in alcohol advertisements, or a specific provision on pregnant women. Countries falling into this band include Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Portugal, Spain, Sweden and the UK.
- **Level 3** includes those countries where the existing framework does not yet cover all themes set out by the EFRD Common Standards and where some of the rules already in place need to be adapted and/or missing elements included, for example, in the Czech Republic, Hungary<sup>11</sup>, Latvia, Luxembourg and the Slovak Republic.
- **Level 4** includes countries where no self-regulatory code is in place yet, such as Cyprus, Estonia and Malta.
- **Level 5** includes those countries where commercial communications for alcoholic beverages is so heavily regulated that local industry still questions the benefit of establishing a self-regulatory framework. Finland, Poland and Slovenia fall into this category.

<sup>&</sup>lt;sup>11</sup> In Hungary and the Slovak Republic, the existing SRO code, including some provisions on alcoholic beverages, has not been formally adopted by the CEPS member.





#### 2. CASE STUDY

The 'Stichting Reclame Code' (SRC) is the SRO in the Netherlands. Its 'Nederlandse Reclame Code' includes the Advertising Code for Alcoholic Beverages and contains all rules agreed under the principles of the CEPS Charter. For minors (people below the age of 18 years old), it includes a 75/25 threshold, beyond the minimum requirements of the EFRD Common Standards which stipulate a 70/30 threshold. Within its scope, the code also covers packaging, labelling, the internet, sporting and events sponsorship. It should be noted that the application and enforcement of this code falls under the remit of the SRC while the terms of the code lie with the Dutch SAO, 'STIVA'. STIVA is one of the oldest SAOs in the world. Beer, wine and spirits producers and importers in the Netherlands are covered by the code.



Over the years, a sophisticated system has emerged to cover all marketing (not just advertising) for alcoholic beverages.

- 1. STIVA has come with specific <u>rules for HORECA (on-trade) promotions</u>. A system has been set up to monitor on-trade promotions, whereby the advertiser agrees to notify a promotion to STIVA prior to the event in order to allow a compliance check by an outside party.
- 2. In order to control the placement of all advertising, STIVA issues a list every year where so-called <u>"Youth Broadcasters"</u> are listed. These are both radio and TV stations that have an under 18 target audience which is greater than 25 % of the overall audience and, as such, where advertising is not allowed.
- 3. There is a <u>mandatory pre-launch code compliance check</u> done by STIVA for all TV and cinema advertising.
- 4. All TV and cinema advertising must carry the educational slogan "Geniet, maar drink met mate" (Enjoy your drink in moderation). As a result of an agreement with the Dutch Health Minister, the slogan has changed for all alcoholic beverages (except spirits for which the legal purchasing age is 18 years as opposed to 16 years) into "Alcohol onder de 16? nog even niet!" (Alcohol under 16 years? No way!).
- 5.To show its commitment to compliance with the code, STIVA has taken on the role of watchdog: in cases of non-compliance, STIVA will file a complaint at the SRO on its own initiative.

A case study of these initiatives is available on the STIVA website (www.stiva.nl).





#### 3. NEXT STEPS

The next step for each European Spirits Organisation – CEPS member in delivering on their commitments outlined under the Charter will clearly depend on which level, as outlined in the aforementioned summary, the respective member has reached. Clearly, the greatest efforts will be required in level 3 and 4 countries. Guidelines on implementation of the Common Standards have already been prepared and meetings in these markets have started in order to kick start the necessary process.

In level 2 countries, confirmation will be sought from the European Spirits Organisation – CEPS member in question that the necessary changes will be introduced by 2010, preferably sooner rather than later, to ensure overall compliance with the CEPS Charter.

In level 5 countries, further discussions are necessary in order to establish the feasibility of introducing self-regulatory systems as a complement/alternative to excessively restrictive legislation, and most notably, that which discriminates against spirit drinks.





## **Commitment 3: Product Development**

Experience suggests that the launch of new products may cause particular public scrutiny. In developing new products, European Spirits Organisation – CEPS members undertake to do so in a responsible manner and to apply the same rules and high standards as those applicable to the marketing of existing spirit drinks.



#### 1. SUMMARY OF STATUS ACROSS THE EU

The European Spirits Organisation – CEPS has stated in its position on pre-mixed spirit drinks<sup>12</sup> that it will review industry codes of marketing practice and ensure that these are effective to prevent the development of products that by their composition, presentation or marketing are focusing on – or may be particularly appealing to – underage drinkers. Most of the frameworks for marketing define commercial communications rather widely and apply the same rules to naming and packaging as to advertising, the internet or for promotions. Some countries have also adopted specific provisions or guidelines to help with issues around naming and packaging, in particular, concerning minors. Only one country – the UK – has established a system by which irresponsible products (due to their name, packaging, etc.) can be withdrawn from the market (via the retailer alert system). Elsewhere, problems could exist to make such systems compatible with local competition law<sup>13</sup>.



#### 2. CASE STUDY

In 1997, the UK based 'Portman Group' introduced, with the second revision of its code on packaging, naming and labelling, retailer alert bulletins requesting retailers not to stock products in breach of the code unless and until they had been appropriately amended. If the Portman Group's independent panel of experts decides that a product should be removed from the market, a retailer alert bulletin will be issued.

Retailer alert bulletins are chiefly aimed at licensees and are published in selected trade journals. They are also sent to interested parties such as code signatories, government departments, trade bodies, police licensing officers, trading standards officers, magistrates and licensing boards. Since failure to comply with a retailer alert bulletin may, amongst other things, result in a retailer eventually losing his/her licence, the incentive to comply with such bulletins is widespread. Since 1997, around 70 products have been withdrawn from the market or modified due to the retailer alert system.

<sup>&</sup>lt;sup>13</sup> An attempt to introduce a system equivalent to the UK retailer alert system in Spain proved impossible since the proposed system was considered to be in breach of national competition law.



<sup>&</sup>lt;sup>12</sup> A copy of the European Spirits Organisation – CEPS position on pre-mixed drinks is available on the website at <u>www.europeanspirits.org</u>.



#### Example of a retailer alert published by The Portman Group





"Tubz" (Strelley Enterprises Ltd)

The Panel considered that the alcoholic nature of the drink was communicated clearly on its packaging. Hence, it did not find the product in breach of Code paragraph 3.1.

The Panel noted the producers' arguments that the product was not sold in the off-trade and that the brand name, style and font used on the packaging was 'Sixties' in feel and had been designed specifically for the 18-30s market. It also noted that the packaging featured the phrases 'Warning Keep Out of Reach of Children' and 'For Adults Only'.

The Panel noted that the product was not intended for sale through the off-trade but considered that once it had been sold to a third party the producers could not guarantee this. Furthermore, the Panel considered that even if the product were available only through the on-trade, it could still be seen by, and appeal to, under 18s. The Panel concluded that the product had a particular appeal to under 18s because of the combination of comic book style lettering on the containers and the fact that the bright colours of the product were visible through the transparent containers. Hence the Panel found the product in breach of Code paragraph 3.2(g).

More information on these decisions can be found on The Portman Group website (<a href="www.portmangroup.org.uk">www.portmangroup.org.uk</a>).





#### 3. NEXT STEPS

The European Spirits Organisation – CEPS will develop a guidance document offering standard tools and suggestions that are deemed to be appropriate for helping members address irresponsible industry behaviour. For example, this might range from an informal contact to a press statement denouncing an irresponsible product, or ultimately, to physical withdrawal of the product.

European Spirits Organisation – CEPS members will be encouraged to get local legal advice as to what is and is not possible in terms of 'naming and shaming' of irresponsible products and the possible introduction of product withdrawal systems.





## Commitment 4: Underage Drinking

European Spirits Organisation – CEPS members support an EU-wide minimum purchasing age for alcoholic beverages. Members will work closely with national authorities in ensuring that minimum purchasing age legislation is enforced, by contributing, for example, to retail and server training schemes and to campaigns to enhance awareness of the legal drinking age, or in their terms and conditions of supply with retail and hospitality outlets.



#### 1. SUMMARY OF STATUS ACROSS THE EU

The commitment specifically refers to initiatives taken by the spirits industry to support enforcement of the legal purchasing age (LPA) both in shops and in bars/clubs etc. Typical initiatives are those which help to raise awareness about existing legislation forbidding the sale of alcohol to minors. Others include efforts to change behaviour, such as specific training programmes for the responsible service and sale of alcohol.

The spirits industry is contributing to the objective of discouraging access to alcoholic beverages by underage drinkers by:

- Developing mass media campaigns to raise awareness such as posters, leaflets, websites, sticker campaigns or, in some countries, by labelling the LPA on bottles;
- Developing information tools for professionals in the distribution sector to raise awareness about the LPA and sanctions in case of infringement as well as supplying guidance and tips on how to enforce LPA legislation (e.g. how and when to request a proof of age identity card; how to refuse selling/serving; how to handle difficult customers etc.);
- Supporting the implementation of training programmes for responsible serving of alcohol in the hospitality and retail industry;
- Including terms in contractual supply agreements so that stores/bars carry out the necessary checks and training to enforce LPA legislation.

More details of these and other initiatives (on, for example, drink driving programmes), are provided in the recently adopted Drinks Industry Initiatives Brochure 2006.

#### In summary:

- The spirits industry has invested in initiatives be they at company, trade association, or SAO level in the following countries: Denmark, France, Germany, Ireland, Malta, the Netherlands, Spain and the UK. Good industry practice examples include:
  - → "The safe night life" in Denmark;
  - → A server training programme in Spain "Tú sirves, tú decides" in partnership with local communities and similarly, in Ireland, the "RSA programme" implemented in partnership with the Irish Tourist Board;
  - → "The 18+" company initiative in Germany (no proof of identity and age, no sale);
  - → The "Code of Practice for Bar Tenders" in Malta;
  - → A widespread campaign in the Netherlands comprising stickers on doors of premises selling/serving alcohol recalling the LPA, dedicated websites such as "www.alcoholonderde16nogevenniet.nl", "www.leeftijdsgrens.nl", "www.drankkopenkentzijnleeftijd.nl";
  - → Guides such as "Alcohol & Minors" (providing information for the on-trade), server training programmes and a "prevention kit" developed by companies and the SAO in France;
  - → The SAO and companies in the UK have developed "proof of age scheme", leaflets (for example, a guide for staff in licensed premises, "Saying No To Underage Drinkers"), and awareness campaigns in particular highlighting that proxy purchase is a criminal offence.



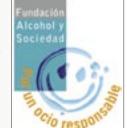
- → Training programmes with certification for on-trade and off-trade (including door-stewards) are also in place and run by the British Institute of Innkeeping.
- In other countries such as Greece, Italy (partnership exists with the HORECA sector) and Poland, there are spirit company initiatives directed at the on-trade, offering information leaflets and training sessions.
- In other markets such as the Czech Republic, Finland and Sweden campaigns exist but are funded/organised by other parties (the government in the case of Finland and Sweden and the brewing sector in the case of the Czech Republic).
- The spirits industry has not yet invested in such awareness raising or training campaigns in Austria, Belgium, Cyprus, the Czech Republic, Estonia, Finland, Hungary, Latvia, Luxembourg, Portugal, the Slovak Republic or Slovenia.



#### 2. CASE STUDIES

#### **Spain**

The aim of Fundación Alcohol y Sociedad (FAS), an industry funded SAO, is to promote responsibility with regard to alcohol. FAS does not only focus on catering professionals, but also on alcohol production and distribution companies, hotel and catering students, consumers, residents, authorities, etc. One important campaign is explained below:



- Server training programme "Tú sirves, tú decides" (You serve, you decide): This programme aims at three types of individual to promote the responsible serving, sale and marketing of alcohol:
  - → Employees and owners of establishments where alcohol is sold and served for consumption on the premises;
  - → Establishments where alcohol is sold for consumption off the premises (supermarkets, food shops, petrol stations etc.);
  - → Hotel and catering school students.

The programme has been created based on updated, biological, psychological, legal and sociological information. Nevertheless, the main source comes from the work of professionals, retailers, etc. from Spain and throughout Europe who practise responsible serving of alcoholic drinks and whose experience over time has proven to be most effective.

Responsible server training consists of a three-hour session during which the following subjects are covered:

- → Information on alcohol: characteristics, moderate and abusive consumption, consequences of abusive consumption, metabolism of alcohol in the body, 'myth busting' about alcohol (on how to sober up quickly, on the blood alcohol test, etc.) and drink driving;
- Alcohol & the law: national and provincial legal environment on serving alcohol;
- → Development of skills for responsible service to reduce harmand improve the environment of on-trade premises;
- Practical cocktail serving module where, with the presence of an expert in cocktails, students witness a practical demonstration of the direct relationship between responsible serving and the quality of the environment.





Representatives of the local authorities and police forces attend these training sessions to supply information and to promote dialogue between all stakeholders for a safe night economy in local communities.



Attendees of the training receive an accreditation diploma issued by FAS and the partner institution. Such accreditation is made visible to the public by a sticker placed on the door of the respective premises and they are also referenced as such on the website of the local municipality.

During its first phase of implementation (2004-2005), 150 catering professionals and students from a number of different Spanish towns in two autonomous communities (Andalusia and Catalonia) were trained. In 2006, the training programme was expanded to the Madrid and Galicia regions where 500 people will be trained over the next year.

More information on this programme can be found on the 'Fundación Alcohol y Sociedad' website (www.alcoholysociedad.org).

#### France

#### Enforcement of legal purchasing age (LPA) at retail level

In June 2006 the directors of supermarkets received a leaflet from 'Entreprise & Prévention' (E&P – the French SAO), reminding them of the legislation on sales of alcoholic beverages to minors. In France, it is strictly forbidden to sell alcoholic beverages to minors under 16. Enforcement of this rule is of particular concern for medium and large-sized retailers and E&P was aiming to reinforce the knowledge and awareness of those in the trade of their responsibilities in this regard.

About 10,000 leaflets "Be careful" were printed and distributed. The leaflet highlights the LPA itself, explains the sanctions in the case of infringements and provides practical advice to guide cashiers in given circumstances. For example, cashiers are reminded that it is their right and obligation to ask clients for their proof of age identity card.

More information about this initiative is available on the 'Entreprise & Prévention' website (<u>www.ep.soifdevivre.com</u>).





#### 3. NEXT STEPS

The objective should be to have at least one initiative on LPA enforcement in each Member State. This need not always be spirits industry sponsored. Indeed, if initiatives sponsored by others already work well, duplication of efforts would be wasteful. The European Spirits Organisation – CEPS will encourage members not involved in activities on enforcement of LPA to start discussing their potential development. These discussions should take into account other corporate responsibility priorities (self regulation systems, communication on responsible drinking etc.).

The European Spirits Organisation – CEPS will draw up guidelines based on best practice on how to establish each of the possible activities.

The possibility and feasibility of inclusion of LPA rules in standard terms and conditions of supply will also be explored with European Spirits Organisation – CEPS member companies.





## Commitment 5: Drinking and Driving

European Spirits Organisation – CEPS members will continue to work with national authorities in ensuring the dangers of drinking and driving are widely communicated, through, for example, supporting drink driving programmes.



#### 1. SUMMARY OF STATUS ACROSS THE EU

The spirits industry, be it at company, trade association or SAO level is heavily involved in drink driving campaigns to reduce the number of road accidents. All EU countries have legislation that sets a Blood Alcohol Concentration (BAC) limit for individuals to be behind the wheel of a motor vehicle, ranging from 0 – 80 mg of alcohol per 100ml of blood.

Experience has made clear however, that the simple existence of a legal BAC limit does not necessarily have an impact on drink driving behaviour. The limits must be accompanied by proper enforcement and by education campaigns. Enforcement is not the role of the drinks industry, it is the role of the legislator, but the industry can play an important role in the development and funding of education and awareness campaigns. Of particular note are the so-called designated driver campaigns.

This concept was first implemented in Belgium in 1995 between the Belgian Road Safety Institute (IBSR) and the SAO funded by the Belgian brewers in 1995. Since then, 17 countries in Europe have adapted this concept to their local needs and culture resulting in a wide variety of creative approaches and campaign elements ranging from billboard and poster advertising, to television advertising and short movies for cinemas, as well as offering free non-alcoholic beverages in bars for designated drivers. These campaigns are currently supported by the European Commission (EC).

The overview of drink driving initiatives is as follows:

- In a majority of countries, spirits producers through the national trade association or SAOs have developed public/private partnership to run designated driver campaigns (most of them supported with EC funding<sup>14</sup>). This is the case in the Czech Republic, Denmark, France, Germany, Hungary, Ireland, Malta, the Netherlands, Poland, Portugal, Spain and the UK. In Sweden, the Swedish Spirits and Wine Suppliers Association has developed a website with one section dedicated to drinking and driving<sup>15</sup>.
- In the abovementioned countries, but also in Austria, Estonia, Italy and Latvia, activities to fight against drink driving are also run by companies individually. Some such campaigns target all consumers such as the designated driver campaign "Guido" (promoted by Diageo) or the Bacardi-Martini branded bus touring to raise awareness in Italy. Some are more focused, for example, targeting companies' own employees, such as the "alcolocks" installed in all V&S distribution vehicles or distribution of breathalysers for sales staff at Pernod Ricard.
- In other countries such as Belgium, Finland, Greece and Luxembourg anti-drink driving campaigns are in place but they are not funded directly by CEPS members.
- Finally, in Cyprus, the Slovak Republic and Slovenia there is no reported activity on drink driving.



<sup>&</sup>lt;sup>14</sup> Details of the pan-European designated driver campaigns are available at <u>www.efrd.org</u>.

<sup>15</sup> www.drinkwise.se.

#### 2. CASE STUDIES

#### **Portugal**



#### "100 % cool" campaign

The designated driver concept was first introduced in Portugal in 2003 by the National Association for Spirits Companies (ANEBE).

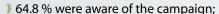
#### **Partners involved:**

ANEBE, the Directorate General for Road Safety, Portuguese Internal Affairs Ministry, the Portuguese Youth Institute, Youth and Sport Secretariat of State, the Portuguese Automobile Club, Mega FM (Portugal) Rádio Station, CD Net, Segurança Rodoviária (Portugal) Driving Schools, and a number of municipalities (Lisbon, Porto and another 60 around the country), as well as many private sponsors, such as BP, clothes companies, fitness clubs, book and DVD shops amongst others.

#### Campaign elements:

- → Cinema spots, radio;
- → Gas stations (most of the 300 BP stations are decorated with campaign materials);
- → "Night Brigades" (team of volunteers circulating in 9 cities, 2 nights per week, in order to promote the concept as a first phase);
- → Road show magazine advertising (circulated to more than 200,000 readers);
- → The website (<u>www.100porcentocool.pt</u>).

Evaluation in 2005 based on a Europe-wide agreed questionnaire shows that:



- 25.5 % have already been the 100 % cool driver;
- 34.6 % have already been driven by a designated driver;
- 94.5 % consider the campaign positive;
- ) 93 % consider it useful.

Drink driving statistics and their trends:

- Latest statistics show the largest reduction in road fatalities in 30 years a decrease of approximately 30 %;
- According to statistics published by the "Brigada de Trânsito da Guarda Nacional Republicana", in 2005 there has been the largest reduction in the number of registered traffic violations related to alcohol 17,237 in 2005 compared with 23,324 in 2004.







#### **Czech Republic**

#### "Domluveny" (Designated Driver)

In 2005, the concept of the designated driver was introduced for the first time in the Czech Republic.



#### **Partners involved:**

BESIP (the authorised body of the Ministry of Transport of the Czech Republic): <a href="www.mdcr.cz">www.mdcr.cz</a>, the Czech Forum of Responsible Consumption of Alcohol (Forum PSR, a spirits industry funded association), the 'Responsible Brewers Initiative'.

#### **Campaign elements:**

A tent dedicated to promote the campaign at large music festivals with:

- Written materials and merchandise (i.e. leaflets, stickers and key rings);
- A "Clean Stage" where well known DJs perform;
- Road signs and animations on flat screens to remind visitors of the consequences of drink driving;
- "Promile SMS" (<u>www.promilesms.cz</u>) gives the mobile phone user the opportunity to find out his/her approximate blood alcohol level and the time it takes to metabolise.

The "Clean Stage" was visited by approximately 40,000 people over three major festivals. Approximately the same number of leaflets (with 3 variations) and some 80,000 stickers (also with three variations) were distributed. More than 20,000 people used the Promile SMS service to find out their BAC level. This has proven especially useful for those intending to use their car the morning after drinking so as to determine whether the level of alcohol in their blood is adequately reduced for safe driving.









#### 3. NEXT STEPS

It will be important that the many successful drink driving initiatives continue beyond 2006 when EU funding is withdrawn. The European Spirits Organisation – CEPS and its members will continue to advocate the importance of EU funding for these initiatives being maintained.

In those markets where campaigns exist, but the spirits industry is not involved, the European Spirits Organisation – CEPS will recommend to its members that they discuss their possible involvement in existing campaigns.

In those countries where initiatives do not yet exist, they will be explored in light of other priorities (self-regulatory systems, server training programmes, communication on responsible drinking messages etc.).

Given that there are already many good practice examples across Europe, the European Spirits Organisation – CEPS will offer a platform of exchange of information to support newcomers in the area of drink driving campaigns.





### Commitment 6: Education

In order to encourage more effectively responsible consumption of spirit drinks, 'responsible consumption' must be defined. The European Spirits Organisation – CEPS and its members will work with decision makers and other stakeholders, at the national and, where relevant, EU level in agreeing definitions of sensible and dangerous drinking levels and implementing the wide communication thereof.



#### 1. SUMMARY OF STATUS ACROSS THE EU

In the first commitment of the CEPS Charter, members commit to including responsible drinking messages on 75 % of advertising by 2010. To be meaningful, responsible drinking must be defined. In order to be credible, the definition of responsible drinking should be independently approved by government or scientific experts.

Most often, definitions of sensible drinking levels and guidelines are concentrated on recommended daily or weekly consumption levels (a list of the EU markets where these exist and what they are is supplied in the Annex to Commitment 6). These are effective and should be communicated even more widely than today. This practice does not preclude the possibility of also defining responsible drinking by "behaviours". In several EU countries, the spirits industry has also developed information and education campaigns aimed at specific target groups to raise awareness about responsible drinking and to provide guidance on how to avoid alcohol-related harm (for example, should you choose to drink as an adult, alternate an alcoholicdrink with a soft drink; have food with your alcohol intake; drink slowly; be in a safe and friendly environment; designate your driver before going out; etc.)<sup>16</sup>.

The situation across Europe is as follows:

The spirits industry has invested in initiatives be they at company, trade association or SAO level in the following countries: the Czech Republic, Denmark, France, Germany, Ireland, Malta, the Netherlands, Spain, Sweden and the UK.

Broadly speaking, there are six areas where the spirits industry, alone or in partnership, has invested in education and information campaigns (campaigns on drink driving are covered under Commitment 5 of this report):

- → General information to the public: many initiatives are developed to reach consumers and to raise their awareness about responsible drinking. The "drinkaware" website¹¹ in the UK offers one such example which aims to inform consumers on responsible consumption guidelines and to give tips and guidance on how to respect these guidelines in daily life. This website is communicated to the public via advertising, point of sale material and on labels. A similar initiative can be found in Sweden with the "drinkwise" website¹8. Company initiatives also include those in France and in Ireland which provide information to the public visiting production plants.
- → Education and information campaigns aimed at young people: in all the countries mentioned above, initiatives ranging from leaflet, website or advertising campaigns, to schools' education programmes aiming to help tackle underage drinking by promoting responsible consumption are in place.



<sup>&</sup>lt;sup>16</sup> It is for this reason that, in the context of this Charter commitment, the European Spirits Organisation – CEPS now refers not only to sensible drinking 'levels', but also sensible drinking 'guidelines'.

<sup>17</sup> www.drinkaware.co.uk.

www.drinkwise.se.

- → Guidance for parents on how to talk about alcohol with their children: initiatives aimed at young people are usually accompanied by the development of tools to support parents in their education as a role-model. Such initiatives exist in the Czech Republic, Denmark, Germany, Malta, the Netherlands, Spain and the UK. In Ireland, for example, a particularly successful radio and print campaign was launched in 2004 on the theme "Is your drinking affecting their thinking?".
- → Teaching support for primary and secondary schools as well as targeted initiatives for university students: peer-pressure is also an important factor influencing behavioural patterns. Schools have an important role to play in developing resistance skills for underage people and they act as a credible source to promote the social norming approach which contributes to responsible consumption. Where partnership with public authorities is possible, such programmes, developed or supported by the spirits industry, exist in the Czech Republic, Denmark, the Netherlands, Spain and the UK.
- → Targeted information for pregnant women: alcohol and pregnancy is increasingly receiving attention because of the association of excessive alcohol consumption and Foetal Alcohol Syndrome (FAS). The French SAO ('Entreprise & Prévention'), for example, has developed in the Northern part of France, a campaign together with gynaecologists to inform women about the risks of alcohol consumption during pregnancy.
- → Work place information campaigns for employees: these include additional company initiatives rolled out in Denmark, France, Ireland, the Netherlands, Spain, Sweden and the UK. The aim of such initiatives is to remind employees of the company alcohol policy (for drivers, commercial staff, etc.), and to promote responsible drinking among employees and offer support to those with alcohol problems.
- DCEPS members have not invested significantly in these types of awareness or training campaigns in Austria, Belgium, Cyprus, Estonia, Finland, Greece (aside one company initiative targeted at students), Hungary, Italy (though company initiatives appear to be increasing) Latvia, Luxembourg, Poland (one company initiative targeting consumers currently exists), Portugal, the Slovak Republic and Slovenia.



## **o**

#### 2. CASE STUDIES

#### Ireland

#### "Is your drinking affecting their thinking?"

In 2002, Wirthlin Europe was commissioned to carry out research on behalf of EFRD. This research investigated the attitudes and opinions of key opinion leaders in eight European countries, including Ireland, towards the drinks industry.

The research indicated that an important concern of opinion leaders is the drinks industry's influence on the youth market, in particular in Ireland. On this issue, Wirthlin Europe recommended the development of programmes using communications vehicles perceived as meaningful and credible for young people to address the negative impact of the drinks industry on the youth market.

As a result, 'Mature Enjoyment of Alcohol in Society' (MEAS) commissioned Behaviour and Attitudes Marketing Research Limited to undertake research on underage drinking in Ireland. The research included focus group studies with parents of teens, separate focus group studies with teenagers, and a nationwide quota-controlled survey of four hundred 12-17 year olds. Two advertising agencies were continually consulted throughout the research project.



On completion of both the qualitative and quantitative research, both agencies submitted their advertising campaign proposals to MEAS, which included:

- Incorporation of 'shock messages' in radio and press advertisements;
- "Social Norming approach" with the incorporation of the strap line "Everybody doesn't drink alcohol" in a series of advertisements, and related to the fact that more than half of people between 13 and 18 years of age do not drink alcohol at all;
- Campaign entitled "Is Your Drinking Affecting Their Thinking?": concept based on the research findings which indicated that parents underestimated their own influence over their children, and that teenagers are conscious of 'losing face' as a result of their own drinking.



The versatility of the strap line was a key factor in the awarding of the tender. It could be used to communicate both to parents and their children. The message could be expressed in various media including press, radio, outdoor posters or television, and could also be applied to specific events during the year.

The initial phase of the "Is Your Drinking Affecting Their Thinking?" campaign, launched in June 2004, highlighted the vital role parents of under-18s play in determining the attitude of their underage sons and daughters to alcohol consumption. In a subsequent phase in September 2004, MEAS challenged parents and young people to review their attitudes to drink in the context of celebration of exam results. A third phase was undertaken in the weeks leading up to St. Patrick's Day and Easter 2005.

In 2006, as the latest phase of the campaign, MEAS has issued an appeal to adults not to buy drinks for persons aged under 18 years during the St. Patrick's festival long weekend.

A case study of this project is available on the MEAS website (www.meas.ie).





#### Germany

#### "Straight Talk!" (Klartext reden!)

The Spirits Producers and Importers Association (BSI) through its SAO (Arbeitskreis Alkohol und Verantwortung) together with public authorities and the National Parents' School Board have developed a prevention programme to provide parents and teachers with support and resources to discuss alcohol with school children and young adolescents (12 and 18 year olds).

The project was first piloted in the Sachsen-Anhalt region at the beginning of 2006 using the following supporting materials:

- A "Straight Talk" brochure offering guidance to parents was developed;
- 15 workshops have been organised up until the end of June 2006 with regional and local parents' boards and schools. These have been conducted by experienced psychologists and addiction experts during which parents are encouraged to provide a reliable example to their children and to engage in dialogue with them on this subject.
- A website developed to support the campaign (<u>www.klartext-reden.de</u>).





#### 3. NEXT STEPS

As made clear above, the industry in several countries has already invested in providing information and education to the general public on what constitutes responsible drinking. Other markets could benefit from these countries' experience. In 2007, the European Spirits Organisation – CEPS will draft a consumer information leaflet, which can be adapted to local requirements, to be made available for all members' individual or other relevant websites, or other communication channels, based on nationally agreed guidelines on responsible consumption.





## **KPMG Assurance Report**

To the readers of the CEPS Charter on Responsible Alcohol Consumption Report 2006.

#### Introduction

We have been engaged by the European Spirits Organisation – CEPS (further referred to as "CEPS") to review the information in the CEPS Charter on Responsible Alcohol Consumption Report 2006 (further referred to as "The Report"). The Report is the responsibility of CEPS management. Our responsibility is to issue an assurance report on The Report.

#### **Context and scope**

In The Report, CEPS describes its members' efforts and progress in relation to responsible alcohol consumption. Our engagement was designed to provide the readers of The Report with limited assurance on whether the information in The Report is fairly stated.

#### Standards and criteria

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE 3000): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. Amongst others, this Standard requires that:

- → the assurance team members possess the specific knowledge, skills and professional competencies needed to understand and review the information in The Report, and that they comply with the requirements of the IFAC Code of Ethics for Professional Accountants to ensure their independence;
- → when providing limited assurance, which is a lower level than reasonable assurance, a negative form of conclusion is used.

There are no generally accepted Standards for reporting on responsible alcohol consumption. CEPS applies its own internal reporting criteria, being the seven commitments of the CEPS Charter on Responsible Alcohol Consumption. These commitments have been included in the corresponding chapters of The Report.

#### **Considerations and limitations**

Performance data are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. It is important to view the performance data in the context of the explanatory information provided in The Report's preface ("About this Report...") and the foreword by the President.

#### **Work undertaken and conclusions**

We reviewed the information in The Report, based on:

- → a review of the systems and processes used to generate this information;
- → a review of internal and external documentation and internet sources;
- → interviews with CEPS and European Forum for Responsible Drinking (EFRD) staff;
- → a media search for the identification of material issues in relation to the elements of the CEPS Charter on Responsible Alcohol Consumption;
- → independent publications on the topic of responsible alcohol consumption;
- → an appraisal of The Report in its entirety against available and gained knowledge and understanding of the sector.



We limited our review to the information provided by CEPS, which included documentary evidence on activities and achievements at membership level. We did not conduct country visits to individual CEPS members. As a consequence, data provided to CEPS by these members has not been individually verified.

**Based on the above, the information in The Report does not appear to be unfairly stated.** Following our review, we discussed changes to the Draft Report with CEPS and reviewed the final version of The Report to ensure that it reflected our findings.

#### Commentary

Without affecting the conclusions presented above, we would like to draw readers' attention to the following:

For future reports, we recommend CEPS to further translate the Charter commitments into time-bound targets and performance indicators so as to provide readers with a roadmap towards the full implementation of the Charter by 2010.

In addition, we recommend CEPS to be more explicit in its approach towards the identification of, and consultation with, its stakeholders, to whom CEPS refers in The Report. This will allow readers of future reports to ascertain the degree to which CEPS has been able to identify and respond to issues and concerns that are relevant to stakeholders in relation to the CEPS Charter on Responsible Alcohol Consumption.

#### Prof. Dr. G.C. Molenkamp

Amstelveen, 30 October 2006 KPMG Sustainability B.V.





## **European Spirits Organisation – CEPS Members**

#### **AUSTRIA**

> Fachverband der Nahrungs-und Genussmittelindustrie Österreichs- (FNGO)

#### **BELGIUM**

Fédération Belge des Vins et Spiritueux asbl – (FBVS) / Belgische Federatie van Wijn en Gedistilleerd vzw – (BFWG)

#### **CYPRUS**

> Association of Wine & Spirits Producers Cyprus – (AWSPC)

#### **CZECH REPUBLIC**

Union of the Czech Spirits Producers – (UCSP)

#### **DENMARK**

> Foreningen af Danske Spiritusfabrikanter c/o V&S Danmark A/S – (FDS)

#### **FSTONIA**

> Estonian Spirits Association - (ESA)

#### **FINLAND**

Finnish Food and Drink Industries' Federation – (FFDIF) / Finnish Alcoholic Beverages Industries' Association – (FABIA)

#### **FRANCE**

- > Bureau National Interprofessionnel de l'Armagnac (BNIA)
- Bureau National Interprofessionnel du Cognac (BNIC)
- > Fédération Française des Brandies (FFB)
- > Fédération Française des Spiritueux (FFS)

#### **GERMANY**

- > Bundesverband der Deutschen Spirituosen-Industrie und –Importeure e.V. (BSI)
- ▶ Bundesverband der Obstverschlussbrennere.V. (BOVB)

#### **GREECE**

> Federation of Greek Distillates and Spirits – (SEAOP)

#### **HUNGARY**

Union of the Hungarian Alcohol Industry – (UHAI)

#### **IRELAND**

- > Irish Spirits Association (ISA)
- > Irish Whiskey Distillers Association (IWDA)

#### **ITALY**

 Federazione Italiana Industriali Produttori Esportatori ed Importatori di Vini, Acquaviti, Liquori, Sciroppi, Aceti ed Affini – (FEDERVINI)

#### **LATVIA**

Association of Latvian Spirits Producers and Distributors – (LADRIA)



#### **LUXEMBOURG**

> Fédération Luxembourgeoise des Producteurs de Vin et Spiritueux – (FLPVS)

#### **MALTA**

The Malta Chamber of Commerce and Enterprise (TMCCE)

#### **POLAND**

> Polish Spirit Industry - (PSI)

#### **PORTUGAL**

- > Associação dos Comerciantes e Industriais de Bebidas Espirituosas e Vinhos (ACIBEV)
- Associação Nacional de Empresas de Bebidas Espirituosas (ANEBE)

#### **SLOVAK REPUBLIC**

 Association of Manufacturers of Alcohol and Alcoholic Beverages in Slovak Republic – (AMAABS)

#### **SLOVENIA**

Non-Alcoholic and Alcoholic Beverages Association of Slovenia – (NAABAS)

#### **SPAIN**

- > Federación Española de Bebidas Espirituosas (FEBE)
- > Federación de Bodegas del Marco de Jerez (FEDEJEREZ)

#### **SWEDEN**

The Swedish Spirits & Wine Suppliers (SSWS)

#### **THE NETHERLANDS**

> Commissie Gedistilleerd - (CG)

#### UNITED KINGDOM

- The Gin and Vodka Association of Great Britain (GVA)
- > The Scotch Whisky Association (SWA)

#### **EUROPEAN SPIRITS COMPANIES LIAISON GROUP (ESG)**

- > Bacardi-Martini Ltd
- > Brown- Forman Beverages UK Ltd
- > Davide Campari Milano SpA
- Diageo plc
- > Jim Beam Brands Worldwide
- > Moët Hennessy
- > Pernod Ricard
- > Remy-Cointreau S.A.
- > V & S Vin & Sprit AB



# Annex to Commitment 1: Responsible Drinking Messages in the EU

Country	Comments		
Austria	No information.		
Belgium	<ul> <li>According to a Convention signed by drinks producers, distributors, the SRO (JEP), etc., on 12 May 2005, any form of advertising (cinema, TV, radio, posters, website) has to bear a responsible drinking message for which positioning, character type and size have already been defined:         <ul> <li>Message for beer products: « Une bierre brassée avec savoir se déguste avec sagesse » (A skilfully brewed beer is drunk with discernment).</li> <li>Messages for the other products: « Notre savoir-faire se déguste avec sagesse » (Our product should be drunk with discernment.)</li> <li>This Convention will soon be included into a piece of legislation.</li> </ul> </li> </ul>		
Cyprus	None.		
Czech Republic	There is no standardised drinking message applied to advertising. Some brands are using a responsible drinking message. However it is not very legible. Between 5 and 8 % of advertising (mainly print) carries such a message.		
Denmark	Responsible drinking messages on advertising are not yet a common practice in Denmark.		
Estonia	None.		
Finland	None, due to the very restrictive – legal – situation for advertising in Finland. However, some companies do it on a voluntary basis in professional publications.		
France	Loi Évin (published on 12.01.1991): Advertising for alcoholic beverages containing more than 1.2 % abv must feature the following message: "The abuse of alcohol is dangerous for health".  Afterwards, professional guidelines were adopted by French producers & SRO (BVP) on position, character type and size of the message and the following words were added: "Consume in moderation".		
Germany	Voluntarily applied by some brands.		
Greece	All advertising must carry the "Enjoy responsibly" message.		
Hungary	There are no commonly agreed responsible drinking messages for advertising. Some brands are using the message developed by HAFRAC regarding drink driving campaigns: "The choice is yours: you drink or drive".		
Ireland	MEAS members (i.e. companies and trade associations) agreed in 2005 to use the following message: "Enjoy [brand name] sensibly". In September 2005, specific guidelines on positioning, character size and font were agreed. The vast majority (more than 75 %) of the consumer-directed media marketing now bears the abovementioned responsible drinking message.		
Italy	Only a couple of companies for dedicated products are using a responsible drinking message in their TV advertising: "Drink responsibly".		
Latvia	By law, a health warning sentence must appear on advertising.		
Luxembourg	None.		
Malta	None.		



Country	Comments		
The Netherlands	Article 31 of the STIVA Code requires the use of a responsible drinking message on adverts on TV, in cinemas, theatres and the closed television circuit:  "Geniet, maar drink met mate" (Enjoy, but in moderation) in 100 % of spirits adverts. STIVA has adopted an additional message for people under 16 years old to encourage them not to drink "www.alcoholonderde16nogevenniet.nl". This latter slogan has to be shown in 100 % of all other adverts on TV and cinema.		
Poland	This is not an issue for spirit drinks as they are not allowed to advertise by law.		
Portugal	Self-Regulatory Code (2002): All advertising (TV, print, website, excluding radio) should contain the following sentence: "Be responsible. Drink moderately". The message should be readable. Approximately 85 % of all publicity includes the sentence.		
Slovak Republic	None.		
Slovenia	Ban on advertising for spirit drinks.		
Spain	FEBE members have agreed on the following message: "Drink with moderation. It is your responsibility".  100 % of advertising is covered excluding radio.		
Sweden	Since 2005, all Swedish alcohol advertisements that are permitted by law must have one fifth of their space devoted to the health warning message.		
United Kingdom	There is no industry-wide agreement to display responsibility messages on alcohol advertising. The Portman Group, however, in November 2004, launched a consumer-orientated website, <a href="www.drinkaware.co.uk">www.drinkaware.co.uk</a> , which carries comprehensive information on responsible drinking and The Portman Group member companies and others have agreed to promote this website on their advertising. It is estimated that the website address will feature on approximately £150 million worth of advertising over the next 12 months, which is likely to be over 75 % of total alcohol advertising spend. There are no guidelines on its use other than that it should be of reasonable prominence. Some companies choose to supplement this with a responsible drinking message, the most common being "Please drink responsibly".		

Sources: European Spirits Organisation – CEPS members/ EFRD/ SAOs.

+





# Annex to Commitment 2: Status of Self-Regulation of Advertising

	Country	Common Standards (CS) Implementation	Comments	
=	Austria	<ul><li>) Most provisions of the CS in place;</li><li>) Provisions to be added: minors, models and pregnancy.</li></ul>	<ul><li>Code owner: Oesterreichischer Werberat;</li><li>Internet is not mentioned under scope of the code.</li></ul>	
•	Belgium	<ul> <li>All provisions in place;</li> <li>Provisions to be modified:         <ul> <li>→ Media threshold for minors;</li> <li>→ Models: ads should not depict minors as defined in the agreement (18 years of age).</li> </ul> </li> </ul>	<ul> <li>Code owners: Belgian Government, FIVS and other associations as laid down in the "Agreement on Behaviour and Advertising of Drinks Containing Alcohol";</li> <li>Scope of code covers "any communication which directly or indirectly aims to promote the sale of drinks containing alcohol, regardless of the means".</li> </ul>	
100	Cyprus	No code in place.		
	Czech Republic	<ul> <li>Most provisions in place;</li> <li>Provisions to be added for hazardous activities and alcohol content.</li> </ul>	<ul> <li>Code owner: PSR – SAO of the spirits industry but is enforced by the SRO – Rada Pro Reklamu (RPR);</li> <li>Promotions/internet not specifically mentioned nor covered in specific provisions are considered to fall under the general remit of commercial communication.</li> </ul>	
=	Denmark	<ul> <li>All provisions included;</li> <li>Provisions to be amended:</li> <li>→ Media threshold for minors;</li> <li>→ Models: see bullet two under comments.</li> </ul>	<ul> <li>Code owner is the Committee on the Danish Common Standards (CDCS);</li> <li>CDCS rules include provisions banning use of individuals in commercial communications with "youthful appearance".</li> </ul>	
	Estonia	No code in place.		
	Finland	No code in place.	Because of the strong legislative environment, self-regulation is not an important element for alcohol advertising.	



Country	Common Standards (CS) Implementation	Comments
France	<ul> <li>Almost all provisions in place;</li> <li>Provision to be added: models;</li> <li>Provision to be amended: media threshold for minors.</li> </ul>	<ul> <li>Advertising is regulated by the "Loi Evin", passed in 1991, it restricts and strictly controls the direct and indirect advertising of all alcoholic beverages (i.e. above 1.2 % abv);</li> <li>Guidelines for common application of the regulations were formulated and adopted by most of the alcoholoeverages trade associations;</li> <li>The SRO – Bureau de Vérification de Publicité (BVP) – adopted its own code based on these guidelines;</li> <li>The SAO Entreprise &amp; Prévention adopted specific guidelines on naming, packaging and distribution of new products;</li> <li>The Code of Ethics for Commercia Communication on Alcoholic Beverages was adopted by Entreprise &amp; Prévention, various sector trade associations and other organisations involved in advertising.</li> </ul>
Germany	<ul> <li>) Almost all CS provisions in place;</li> <li>) Provisions to be added: models and pregnancy;</li> <li>) Provision to be amended: media threshold for minors;</li> <li>) Provision to be discussed: hazardous activities.</li> </ul>	<ul> <li>Code owner: Deutscher Werberat (DW): "Code of Conduct or Commercial Communications of Alcoholic Beverages";</li> <li>The recently revised code includes the requirement that consumption of alcoholic beverages should not be shown in situations constituting a breach of safety rules but the wider remit of hazardous activities is not fully addressed.</li> </ul>
Greece	<ul> <li>Almost all CS provisions included;</li> <li>Provisions to be added: models, pregnancy and alcohol content;</li> <li>Provision to be amended: media threshold for minors.</li> </ul>	<ul> <li>Code owner is the Federation of Greek Distillates and Spirits (SEAOP) which has agreed the code with the government;</li> <li>No specific clause on alcohol content included.</li> </ul>
Hungary	<ul> <li>Most of the key provisions of the CS are included;</li> <li>Provisions to be added: misuse (see comment), minors (including threshold and models), hazardous activities, pregnancy.</li> </ul>	<ul> <li>Code owner is ÖRT – Önszabalyozo Reklam Testület, the Hungarian SRO;</li> <li>UHAI, the Hungarian Spirits Association has not formally subscribed to the ÖRT code;</li> <li>Misuse is not addressed under the alcohol specific clauses but is under the section for food and beverages.</li> </ul>



Country	Common Standards (CS) Implementation	Comments		
Ireland	<ul> <li>All provisions of the CS in place;</li> <li>Provision to be amended: media threshold for minors.</li> </ul>	<ul> <li>Code owners are the Advertising Standards Authority Ireland (ASAI) and MEAS (SAO) (the codes are complementary);</li> <li>MEAS code covers in particular naming, packaging and promotions, areas that are not covered explicitly by the ASAI code.</li> </ul>		
Italy	<ul> <li>Almost all provisions in place;</li> <li>Provisions to be added: models, hazardous activities, pregnancy;</li> <li>Provision to be amended: media threshold for minors.</li> </ul>	Code owner is the Istituto dell'Autodisciplina Pubblicitaria (IAP) and Federvini abides by the IAP code.		
Latvia	<ul> <li>Some key provisions of the CS are in place;</li> <li>Provisions to be added: models, hazardous activities, pregnancy, alcohol content, sexual success.</li> </ul>	Code owner is the Latvian Spirits Organisation.		
Luxembourg	<ul><li>) Some provisions of the CS in place;</li><li>) Provisions to be added: pregnancy, media threshold.</li></ul>	<ul> <li>"Code of Advertising Practice" which includes specific rules on alcoholic beverages;</li> <li>The code owner is the Luxembourg Commission for Advertising Standards (CLEP);</li> <li>To CEPS knowledge, the local CEPS member is not a signatory of the code.</li> </ul>		
Malta	The Maltese SAO – The Sense Group – has established a "Code of Practice for the Alcohol Industry" that includes elements of the Common Standards however limited to promotions and naming, packaging and labelling; the rules for these two areas cover alcohol content, hazardous activities (including anti-social behaviour), sexual and social success, minors (no media threshold but a placement restriction – not before 8 pm – age threshold for models is 21 years) and performance.			



	Country	Common Standards (CS) Implementation	Comments
	The Netherlands	The Dutch Code includes all provisions of the CS and goes in some aspects beyond them.	<ul> <li>The Stichting Reclame Code (SRC) is the SRO in the Netherlands; its "Nederlands Reclame Code" includes a number of sector specific codes including the Advertising Code for Alcoholic Beverages which it applies but does not formulate (this is the responsibility of the Dutch SAO, STIVA);</li> <li>The media threshold under the clause for minors is 75/25;</li> <li>The code also includes sporting and events sponsorship.</li> </ul>
	Poland	No code in place currently.	According to PSI, a draft code has been submitted to the members for consideration and comment.
0	Portugal	<ul> <li>CS provisions are almost all in place;</li> <li>Provision to be added: models;</li> <li>Provision to be amended: media threshold for minors.</li> </ul>	The SRO - The Civil Institute of Advertising Self Regulation (ICAP) has incorporated elements of the drinks industry code within its Code of Advertising Practice; this code is subscribed to by a number of associations from the drinks industry including from ANEBE.
	Slovak Republic	<ul> <li>The code includes some elements of the CS;</li> <li>Provisions to be added and/or amended:         <ul> <li>→ Minors: media threshold, models;</li> <li>→ Drinking and driving;</li> <li>→ Hazardous activities;</li> <li>→ Pregnancy;</li> <li>→ Performance;</li> <li>→ Social success.</li> </ul> </li> </ul>	<ul> <li>PRPR – the Slovak SRO's Ethical Principles of Advertising Practice – last updated in 2004 – includes specific provisions related to alcoholic beverages. There is no formal recognition of this code by the Slovak Spirits Association;</li> <li>Code stipulates that that advertising for alcohol beverages 'under circumstances which are generally considered as inappropriate, unreasonable or against the law' are not allowed without specifically mentioning drinking and driving;</li> <li>Code includes in the alcohol specific section a provision on 'Alcohol characteristics' that stipulates adverts breach the code when they 'inappropriately communicate a specific product to have an extraordinary effect or to be highly effective';</li> <li>Included under the section about 'Social responsibility of advertising'.</li> </ul>



	Country	Common Standards (CS) Implementation	Comments		
	Slovenia	No code in place.	While self-regulatory elements are in place the legal situation for alcoholic beverages above 15 % abv is heavily regulated.		
6	Spain	<ul> <li>All CS provisions in place;</li> <li>Provisions to be amended: media threshold for minors, age of models (23 years).</li> </ul>	<ul> <li>The FEBE Code is enforced by AUTOCONTROL, the Spanish advertising self-regulatory organisation;</li> <li>50/50 for electronic media plus some specific guidance for certain types of media;</li> <li>The code stipulates that models should be above 23 years of age.</li> </ul>		
+	Sweden	<ul> <li>Almost all CS provisions covered;</li> <li>Provision to be added: models;</li> <li>Provision to be amended: media threshold for minors.</li> </ul>	<ul> <li>Self-regulation in Sweden is limited because of extensive legislative regulations applying to the advertising of alcoholic drinks (advertising of low alcohol beers is permitted);</li> <li>The Swedish Spirits and Wine Suppliers introduced their ethical rules for the Swedish Spirits and Wine Suppliers in 2004.</li> </ul>		
	United Kingdom	The codes include almost all CS provisions and goes beyond them (media threshold 75/25); Provision to be added: pregnancy.	<ul> <li>Self-regulation is provided by a number of bodies:</li> <li>→ The Advertising Standards Authority (ASA) is the independent body set up by the advertising industry to police the rules laid down in advertising codes;</li> <li>→ The Portman Group (TPG) regulates industry standards in the naming, packaging and below the line promotions of alcoholic drinks.</li> </ul>		

Sources: European Spirits Organisation – CEPS members/SAOs/EFRD/SROs.





## Annex to Commitment 6: Responsible Drinking Guidelines in the EU

Country	Government Recommended Guidelines for adult "low-risk consumption" (maximum levels – grams of alcohol)			
	man woman			
Austria	Federal Ministry for Labour, Health and Social Affairs:			
	16g/day			
	Hazardous limits are defined as 60g and 40g respectively.			
Belgium	There are no government recommended guidelines.			
Cyprus	No information available.			
Czech Republic	National Institute of Public Health:			
	<b>24g/day</b> 16g/day			
Denmark	National Board of Heath:			
	14 units (168g)/week			
	No more than 2-3 units a day and no more than 5 units per drinking occasion.			
Estonia	No information available.			
Finland	National Public Health Institute:			
	15 units (165g)/week 10 units (110g)/week			
France	Health Ministry (based on WHO Guidelines):			
	3 drinks (30g)/day 2 drinks (20g)/day			
	No more than 4 drinks in one occasion/ 0 drinks for pregnant women.			
Germany	No information available.			
Greece	Ministry of Health:			
	3 drinks (30g)/day 2 drinks (20g)/day			
Hungary	There is no government recommended guidelines.			
Ireland	Department of Health:			
	21 units (210 g)/week 4 14 units (140g)/week			
Italy	OSSFAD (Ministry of Health)/INRANN Ministry of Agriculture (nutrition)			
	Guidelines on diet and lifestyle:			
Lateria	2-3 units (24g/36g)/day 4 1-2 units (12g/24g)/day			
Latvia	No information available.			
Luxembourg	The health authorities promote moderate alcohol consumption without specifying limits of daily or weekly amounts pure alcohol.			
Malta	There are no government recommended guidelines.			
The Netherlands	There are no government recommended guidelines.			
Poland	PARPA:			
	2 units/day (20g/day)			
	Suggest two alcohol free days/week.			

	Country	Government Recommended Guidelines for adult "low-risk consumption" (maximum levels – grams of ethanol)		
		n man	<b>*</b>	woman
•	Portugal	National Council on Food and Nutrition	:	
		1 28-42g/day	*	14-28g/day
	Slovak Republic	No information available.		
	Slovenia	Institute of Public Health:		
		1 20g/day	*	10g/day
		No more than 50g in one occasion for men and 30g for women.		
	Spain	Ministry of Health (National plan on drugs):		
		¶ 40g/day	<b>*</b>	24g/day
	Sweden	Swedish Research Council:		
		👖 20g/day	*	20g/day
	United Kingdom	Department of Health:		
		👖 3-4 units/day	*	2-3 units/day
		One unit = 8g The Department of Health advises women who are pregnant or trying to become pregnant, and who choose to drink, should drink no more than 1-2 units of alcohol per week.		

Sources: ICAP/CBA/SAOs.













Avenue de Tervueren 192, bte 3 B-1150 Bruxelles Tel:+32 2 779 24 23 Fax:+32 2 772 98 20 Website: www.europeanspirits.org

