

Self-Regulation at company level

Added value of self-regulation at company level

- Ownership
- Global standards for the company
 - *In line with / complementary to other levels of self-regulation (e.g. The Brewers of Europe guidelines, EFRD Common Standards)*
 - *Fill gaps in the system where needed*
- Good for self-regulation:
 - *company leadership in local markets and associations*
 - *can avoid over-burdening SROs*
- Good for the company:
 - *early involvement can prevent costly late interventions*

Experiences from Heineken and InBev

In practice: Advice & Clearance

- Global brands e.g. Heineken, Amstel, Stella Artois, Beck's, Brahma, Leffe
 - *Creative development at Head Office*
 - *Close interaction between Marketing and CSR/PA departments*
 - *Clear guidance to, and liaison with, local operation*
- Local brands:
 - *Creative development at local level*
 - *Local interaction between Marketing and CSR/PA departments*
 - *Local PA can call in assistance / advice of Global PA: clear increase in requests for guidance*

In practice: Internal Awareness

- Training sessions
 - *Regular refresher courses*
 - *All new marketing & senior functions*
 - *Also includes the marketing agencies*
 - *Regular reminder messages, including regarding any changes*
- Highest level support within the company
- On the agenda of many internal meetings
- Internal audits of compliance with the internal systems and code



Marketing and Advertising Ethics

● Pernod Ricard Code for Commercial Communications based on EFRD Common Standards

➤ Internal approval panel oversees code implementation by affiliates

Principles:

- ➔ Internal pre-clearance for 15 key brands required (including sponsorship and new media)
- ➔ Assessment recommended for 30 local key brands
- ➔ Ex-post assessment
- ➔ Possibility of confidential «copy advice» on all ethics-related issues

➤ Assessment procedure:

- ✓ **Collective:** 3 person (max) panel, advice from 3rd party possible
- ✓ **Prompt:** Opinion must be given within 7 days
- ✓ **Formal:** Summary form filled in for every campaign

Green: approved without any restriction

Amber: approved subject to modifications

Red: rejected + must be re-submitted.

Reporting: a summary of the opinions submitted to the Group Executive Committee (8-10 meetings/year) for review and validation

- **Scope:** Applicable to all marketing activities
- **Purpose - to ensure that:**
 - All marketing activities are true to the letter & spirit of the code, beyond the target consumer, from the perspective of the staunchest critic
 - All marketing activities address code & legal issues from the first execution
 - Agencies are briefed on all the code provisions
 - Media/event age-mix profiles are checked and monitored
 - Senior management reviews and signs off all final executions
 - Local/central experts are consulted in case of doubt (legal & P.A.).
- **Status:** Code in place since 2003. Worldwide training of all marketing teams completed Jan 2005. Code reviewed in 2007 with external independent input
- **Key results to date:** 1 full campaign withdrawn; 2 campaigns revised
- **Next steps**
 - Code implementation part of marketing staff assessment in 2008
 - Next code review → 2008 (integration of new digital media EFRD code)
 - Next European training session in June 2008
 - Code knowledge assessment throughout Europe by end 2008

SCOPE

➤ DMC applies to all marketing activities including new media, sponsorship, packaging & labelling. DMC is a global benchmark. Local affiliates must comply but can go beyond

TRAINING

- Training compulsory for all marketing and sales staff; part of induction process and refresher courses
- Workshops complemented by online e-learning course, in French, English and Spanish for both staff and agency partners

REVIEW & SIGN-OFF

- Compliance process compulsory for all Diageo companies
- Review & sign-off process involves Marketing, Corporate Relations and Legal. Includes both project manager and senior Marketer not involved in the project
- Three stage sign off needed : brief/concepts, pre-production, final creative
- SmartApprove – Online tool coordinating approval by marketing, legal, intellectual property and corporate relations units. System in operation in UK, America and Iberia. Implementation in other markets ongoing

COMPLIANCE

- Annual code compliance certification required from mid- & senior level staff in Marketing, Innovation, Consumer Planning & Research, and Corporate Relations, and General Managers and Sales Directors – including all process & training requirements
- Code and sign-off process compliance part of regular company reviews
- Ad agencies, and all other relevant suppliers must undertake to abide by DMC provisions



BACARDI®

Excerpt from the standard “Agreement for the Provision of Services in relation to Marketing Services” used by the Bacardi corporate marketing team in Europe.

“The Agency will be responsible for ensuring that in the provision of the Services it complies with all applicable statutes, regulations, rules, by-laws, codes of practice and guidelines relevant to the provision of the Services and the creation of the Materials and shall at all times comply with the Bacardi-Martini Principles for Marketing and any revised version hereof, a copy of which is available in Schedule 2, and any equivalent document applying to a territory in which the Services will be provided.”

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