



Reworking the Responsible Marketing Code (RMC)

Date: April, 2022



AGENDA

1. Background: why do we need an update?

2. Competitor benchmarking: what's the competition doing?

3. Recommendations: what should we change?

4. Timeline: how should we do it?

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Context

Why update?

The RMC protects our consumers by putting them at the heart of our business, whilst simultaneously protecting our reputation and license to operate

New digital media are on the rise, while self-regulation initiatives and EU legislation present new requirements in our marketing.

To protect consumers and safeguard our license to operate in this changing landscape, we need to take action through responsible communications initiatives.

The RMC, last updated in 2018, needs changes.



Competitor Benchmarking

What is the competition doing?



	Responsible Marketing Code (2018)	Responsible Marketing & Communications Code (2019)	Marketing Code-Promoting RD (2021)	Code for Commercial Communication (2021)	Marketing Communication Policy (2021)
<i>Length & introduction</i>	23 pages, letter from CCO & CA	18 pages, CEO letter and intro	11 pages, intro by CMO	26 pages, intro by CEO	15 pages, intro by CMO
<i>Content</i>	Strong on responsible consumption, listening, animal welfare, diversity & Code compliance.	Progressive, comprehensive & specific. Strong on stimulants, prohibited associations, privacy, IARD and more.	Strong on (underage) abstinence, stimulants, diversity, Code complaints and annual review.	Strong appendix with specific attention to different channels.	Strong on environment, (underage) abstinence, and specific on types of marketing (promotions, packaging, etc)
<i>Accessibility</i>	Difficult to navigate, provisions buried in explanatory text.	Clear formatting, easy to navigate.	Easy to navigate, with hyperlinks to internal policies.	Easy to use, clear formatting.	Best design, easy to navigate, hyperlinks to internal policies, and easy to use (checkboxes, “do’s and don’ts”)
<i>Summary</i>	With updates, can be strongest industry code	Strongest industry code at the moment	Leading industry code		Leading & best-designed industry code

PRINCIPLE 1: ADULT APPEAL

Explanation

We've been creating memorable brand experiences for over 150 years. Our brands have personality and tell great stories, but we need to take care that this engaging content primarily appeals to customers aged over 18 and of Legal Drinking Age (LDA). Our Brands' marketing and commercial communications shouldn't primarily appeal to Minors.

It is imperative to the welfare of our business not to direct our marketing and commercial communications to Minors. If our marketing and commercial communications have a greater appeal to Minors than adults, they are deemed to "primarily appeal to minors". This means we need to take care to never use objects, imagery, styles, symbols, music, characters (real or fictional), games, gaming equipment or other items with primary appeal to Minors. Some markets have specific lists of objects, settings and situations that can't be used and we've included an Excluded

list about making sensible choices not only during the creative and development process, but when deciding on placements and placements, as well as activation locations. It also means we encourage our customers not to sell our Alcohol Brands and LNA Brands, which also have an alcohol variant to Minors. We actively talk to them so they avoid selling our alcoholic beverages to Minors. And it's about understanding that styles, trends and trends constantly change. What appeals to Minors today, might be different tomorrow, or might be different from one place to the next. We need to be ever mindful.

Do

- Ensure any character featured in our marketing or commercial communications is and appears to be over 25 years of age (except if local legislation or regulations explicitly states otherwise. This also applies to LNA and Non-Alcohol variants of our alcoholic Brands. Please also make appropriate effort to do the same if it is possible to contact User Generated Content (UGC) content that is created by users themselves. It may include emails, text, audio, video, photo or any other type of media that is submitted by users to blogs, social networks, message boards or other interactive websites under the control of a CjCo.

- Take extra care when including fictional characters or any gaming references in your marketing, communications or promotions, particularly any gaming reference that appeals to Minors.

- Remember, our Brands are world famous and consumers may want to post content to our owned or paid communications channels. We need to make clear our "house rules" or terms and conditions govern that type of content that's appropriate, and then actively moderate those channels, where we can control content. Any inappropriate content needs to be removed and the reason for its removal explained to our customers.

- Minimize marketing or commercial communication that features:

- Animated cartoon characters that are appealing to Minors or are children in style and design.

- Athletes that are below 25 and whose audience is primarily composed of Minors or sports that are primarily appealing to Minors.

- Influencers that are below 25 and whose audience is primarily composed of Minors or primarily appealing to Minors.

DEFINITIONS

Legal Purchase and/or Drinking Age (LPA):

The youngest age a person is legally permitted to purchase and/or drink alcoholic beverages within a specific country. This varies from country to country. NOTE: If the local LPA is below 18 or absent then use 18 as a minimum.

Low & No-Alcohol (LNA) Brands: Company Owned or Controlled brands with an ABV less than 3.2%. It includes non-alcoholic variants of beer and cider brands but also includes soft drinks or malted beverages without an alcoholic variant.

Minor: anyone under LPA. If in a specific country the LPA is not below 18 years of age or has not been defined by law, we consider everyone under the age of 18 a minor.

CjCo: Heineken Operating Company.

No-Alcohol Brands: LNA brands with an ABV of 0.0%–0.05%. No-Alcohol Brands also include our 0.0% Brands.

0.0% Brands: LNA brands with an ABV of 0.0%–0.05% that are marketed under name of an Alcohol Brand that are available in the market as a beer product. It also covers non-alcoholic variants of beer and cider brands.

Primary Appeal to Minors: When something has a greater appeal or is more attractive to Minors than LPA consumers.

SaaS: A service level agreement – an agreement between a service provider and the user that defines the level of service expected from the service provider.

70/30 Rule: When 70% of the audience is reasonably expected to be persons above LPA, marketing or commercial communications shouldn't appear on the chosen media channel if more than 30% of the audience is known or reasonably expected to be below LPA. This percentage can vary from CjCo to CjCo (e.g. 70/30 in the US and 70% in the UK).

User Generated Content (UGC): Content that is created by users themselves. It may include emails, text, audio, video, photo or any other type of media that is submitted by users to blogs, social networks, message boards or other interactive websites under the control of a CjCo.



Current RMC

Recommended changes to the RMC

COMPLIANCE

Compliance with The Code isn't a "tick to do". It's a must do. We all need to ensure we're doing business in accordance with the laws and regulations that govern us, while also being able to bring our brands to life in the HEINEKEN way.

Everyone involved in the marketing and sale of our Brands, is responsible for implementing The Code. In order to ensure effective compliance:

- All Commercial teams shall follow The Code and its underlying principles in their marketing and commercial communications.
- All Commercial, Corporate Affairs and Legal teams and others involved in marketing and selling our Brands will receive annual training on the Code. This will be achieved via a mandatory e-learning tool to ensure that everyone knows how to use The Code in our marketing and commercial communications.
- All HEINEKEN marketing agencies involved in the marketing and sale of our Brands will also comply with The Code and must complete annual training on The Code, which will be complemented by a mandatory e-learning tool.

- All agreements related to marketing or commercial communication should refer to The Code and a copy of The Code should be attached to such agreements.
- Legal and Corporate Affairs should be involved as early as possible in any creative discussions about marketing or commercial communication in order to provide guidance.
- All correspondence regarding complaints received from (non) governmental organizations, consumers or official complaint bodies about a particular commercial communication, activity or event, is properly addressed and stored.
- All complaints in relation to commercial communication, trade marketing and sales should be registered for audit purposes.
- When in doubt, about the correct interpretation of The Code, involve Legal and Corporate Affairs.

The Marketing Director is accountable for the training of the agencies they work with and compliance with The Code within the full marketing team. The Sales Director is accountable for the training of the agencies they work with and compliance with The Code with all sales employees in Q20 and higher. The Global Brand Director is then responsible for any marketing or sales activities agreed on a regional or global level – for instance a modern retail agreement with a regional supermarket chain or a sponsorship deal for a global event.

Any issues related to sign-off process, additional guidance or potential departures from The Code should first go through Legal and Corporate Affairs and if required should be escalated to global level. Written approval is then needed from the relevant Global Marketing Director or Chief Commercial Officer before any activity gets underway.

Please discuss the importance of The Code and the above-mentioned compliance process with your colleagues and with your external agencies, so that we are able to have a common understanding and implement our marketing and communications in a consistent and effective way.



Our Level-Up Approach

FROM

Moderately engaging

Solid content

No external engagement

Low employee engagement

No KPIs



TO

Innovative, engaging and accessible

Industry-leading content

Buy-in from key stakeholders

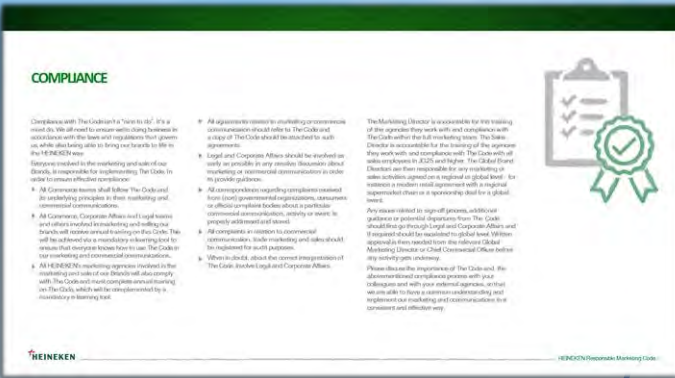
Motivated, knowledgeable employees

Clearly-defined KPIs

Designing for success

- The RMC's content is buried in explanatory text, making it difficult to locate provisions for both internal & external stakeholders.
- Current industry-leading codes (ABI, Diageo) are clearly structured, well-designed and easy to navigate.

To lead the industry, the RMC needs a revised structure and formatting to provide clarity, engagement and ease of navigation.



What could we change?

(See annex for complete list of recommendations)

Gaps

Abstinence

Stimulants

Health elements

Labeling

Privacy

CBD & THC

Responsible research

Marketing at colleges

Additions

Could raise adult demographics to 75-80% ?

Discuss audits

Metaverse

Gaming

Stronger link to environment (spec. greenwashing)

Link to E-commerce

Updates

Revise compliance provisions

Influencer guiding principles

Clarity on working with athletes

Update definitions to include new media

Clarify on adult appeal & underage drinking

Better highlight % of comms spending on RD

Format & Use

Improve navigation to ease use for intl. & extl. stakeholders

Move definitions & compliance sections

Improve sections for LoNo & digital media

Consider sections for specific media channels

Link to external and internal policies

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Timeline

RMC Rework Timeline

Q2 2022

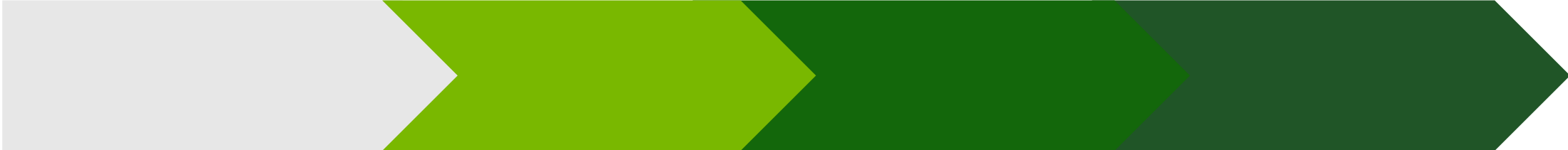
Q3 2022

APRIL-MAY

JUNE

JULY-AUGUST

SEPTEMBER-OCTOBER



- Competitor benchmarking & recommendations (Carolyn Panzer)
- Internal & external stakeholder feedback
- Finalize content & structure (SteerCo)
- Select & brief agency for redesign

- Start redesign of training materials
- Finalize material for use at Commerce Week

- Global Commerce Week (05/07 – 08/07) - Signpost coming of the reworked RMC
- Finalize assets for comms

- Global Town Hall (13/10) – Announce new RMC to full business
- Functional meetings


Comms Timeline

JULY

AUGUST

SEPTEMBER

OCTOBER

- 
- **Global Commerce Week (05/07 – 08/07)** - Signpost coming of the reworked RMC
 - **External engagement** – Request input from WFA & IARD.
- Finalize all visual assets for comms (including video)
 - Plan website update with IT
 - Begin planning content for presentations during functional meetings
 - Prepare brief on eLearning module development.
- **Forum Community Town Hall (01/09)** – Signpost coming of the reworked RMC to senior internal stakeholders
- **Marketing Council (TBC)** – Engage key internal stakeholders in commerce before announcement.
 - **Global Town Hall (13/10)** – Announce new RMC to full business, along with WP post, website update, and LinkedIn post. Inform MTs one week beforehand by mail so they can push within their functions.
 - **CA Live (TBC)** – RMC presentation for CA functions
 - **Commerce Talk Live (04/10)** – RMC presentation for commerce functions
 - **Legal Live (TBC)** – RMC presentation for legal functions

ANNEX

RMC Recommendations

Plugging the gaps with other codes	New best practice / new topics	Updates & revisions	Format, structure & navigation
Abstinence (IARD, all codes, specific provision in Diageo code)	Raise adult demographics to 75 or 80%	Compliance - break it up by including a section on approvals performance/KPIs and being clear about audits	Needs to be easier to navigate: The main issue is that specific prohibitions are embedded in the text of the 'Explanation' or 'Why we Care' sections and therefore less explicit and clear for commerce teams (e.g., Principle 7 embeds a prohibition on not making therapeutic claims in the explanation. Principle 6 embeds a prohibition on using brands as an enabler for sexual and social success in the 'Why we Care' section – these are important prohibitions that need to be easier to find).
Energy/stimulants – could be in 'Ask Yourself' section of Principle 4 or in Principle 7 (all other codes)	Discuss audits	Under digital media definitions, consider adding: QR codes, metaverse	Table of contents with page numbers and, for on-line version, add a quick link to other sections so commerce teams can jump to relevant sections.
Call out prohibited activities – could be included in the 'Why we Care' section of Principle 4 (see ABInBev & Diageo). <ul style="list-style-type: none"> • Tobacco • Illegal drugs (call out THC?). • Possibly move the care taken to certain sports (horse racing, UF, boxing etc) here 	Metaverse	Adult appeal – not sure we need to be so specific about RMP in Why we Care section	Change structure so that each principle starts with a positively framed narrative that combines the 'Explanation' and 'Why we Care' sections and then lists specific prohibitions. This will provide context and allow commerce teams and reviewers and complainers to point to specific clauses under discussion. Keep the 'Ask Yourself' section – it is strong and places accountability with commerce teams to think for themselves.
Health section - add functional benefits, hydration etc. (Diageo)	Gaming	Minors 'Why we Care' 1st bullet – does this imply marketing causes underage drinking?	Reorder the principles so that the first three are: <ul style="list-style-type: none"> • Legal, Ethical and Truthful – start with broadest category relevant to all consumer goods categories • Responsibility & Moderation, including provision on Responsible Drinking Messages – frames it positively from the outset • Minors/Underage drinking/adult appeal – combine principles 1 & 2 and talk about content and placement
How to make Code complaints (IARD, ABInBev, Diageo) – both for stakeholders and employees	Stronger link to environment in Principle 8	Bullet point on % of communications and marketing investment dedicated to RDM is a best practice – can you build out? Offer more specific guidance? This could be a great story.	Move definitions and compliance sections to the end of Code
Beef up labeling – link to any policy (Carlsberg, Diageo)	E-commerce – link to code	Add sexual orientation to first bullet under 'Explanation' in Principle 8	Have a separate Principle on No and Low Alcohol brands (let's discuss structure)
OOH near schools			Separate section for digital, although it is not a Principle (let's discuss structure)
Call out privacy requirements as well as having them embedded in narrative section of the ethical principle and included in digital section – this is an area of great concern to consumers and stakeholders so might be useful to highlight (see ABInBev)			Consider additional sections on specific areas of marketing that commerce teams are undertaking, for example, a section on sponsorships, use of influencers, on and off premise promotions, product placement, digital etc. You can mention specific types of marketing under relevant provision or have a separate link or consider a hybrid approach.
Responsible research – do you have a policy (Carlsberg, Diageo)			Link to external codes – list all global, regional, and national codes. Currently internal policy on Brand Promoters and Social Media are under External References. Only Portman Group code listed. Many countries have similar self-regulatory codes.
Responsible Drinking Icons as per IARD policy (IARD, ABInBev, Carlsberg)			Hyper Link to internal policies: code of conduct (Diageo), labeling, trade promotion, etc.
Link to company RD website (ABInBev & Diageo)			
Marketing on College (all codes)			

