

2016 PROGRESS REPORT

B E E R | P R O D U C E R S '
W I N E | C O M M I T M E N T S
S P I R I T S

Beer, Wine and Spirits Producers'
Commitments to Reduce Harmful Drinking

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CHAIRMAN'S LETTER



In 2016, as signatories to the [Beer, Wine and Spirits Producers' Commitments to Reduce Harmful Drinking](#), we built on our efforts to reduce the harmful use of alcohol, accelerating progress to achieve the five-year goals set out in our Commitments. In our fourth year of this work, we continued driving momentum on our collective journey – expanding our programs, increasing our capacity to measure and evaluate results, and forging new public-private, multi-sectorial partnerships. By working with others, we deepened the impact of our campaigns to eliminate harmful drinking and promote responsible drinking.

Even as a group of 11 member companies, we know we cannot achieve this mission alone. Collaboration is crucial. The case studies central to this report demonstrate how these Commitments have become truly integrated into the operations of local organizations, governments, retailers, our own businesses, and most importantly, into the fabric of communities. We have evolved beyond the early days of our work – when the Commitments were new and some stakeholders were doubtful – and are striving to build a collaborative force that works together with communities and countries to address harmful drinking across the board, and to sustain these efforts in the years ahead.

In this report, we share narratives from countries around the world – from our work to forge new relationships with governments to our collaboration with local partners to reduce harmful drinking. In a number of countries, we have intensified our engagement efforts and implemented innovative digital and in-person campaigns around responsible drinking; in other countries, we succeeded in bringing new players to the table.

We have seen that progress is possible, but we know there is much work to do. We all drive the same roads. We all seek occasions during which to enjoy the good things in life. We all want the best for our families and communities. It's up to all of us to promote smart, responsible drinking and reduce the harmful use of alcohol. We are committed to building on our efforts for the final year of our Commitments, and beyond.

In the spirit of transparency and collaboration, we invite you to read our report. We also invite you to join us to make the world a safer, healthier place – for our businesses, our communities, and future generations to come.

ABInBev

A handwritten signature in black ink, appearing to read 'C. Brito', written over a faint, larger signature that looks like 'J.A.A.'.

Carlos Brito
Chair, IARD CEO Group

Asahi

Naoki Izumiya
Naoki Izumiya

DIAGEO

Ivan Menezes
Ivan Menezes



BACARDI LIMITED

Michael J. Dolan
Mike Dolan

HEINEKEN

Jean-François Van Boxmeer
Jean-François Van Boxmeer

Beam **SUNTORY**

Matt Shattock
Matt Shattock

KIRIN

Yoshinori Isozaki
Yoshinori Isozaki



BROWN-FORMAN

Paul Varga
Paul Varga

MOLSON  *Coors*

Mark Hunter
Mark Hunter

Carlsberg
Group

Cees 't Hart
Cees 't Hart



Pernod Ricard

Alexandre Ricard
Alexandre Ricard

EXECUTIVE SUMMARY

The Beer, Wine and Spirits Producers' Commitments to Reduce Harmful Drinking are the guiding force behind our actions to help reduce harmful drinking worldwide. As leading beverage alcohol producers, we are committed to combating harmful drinking in support of the WHO Global Strategy to Reduce the Harmful Use of Alcohol, the UN Political Declarations on Noncommunicable Diseases (NCDs), and Sustainable Development Goals (SDGs).

As we take action, we report annually on our companies' progress over the five-year Commitments time frame (2013 through 2017). In our first three years of implementation, we conducted foundational work, accelerated progress, and established momentum. This positioned us to achieve real traction in 2016, with steady progress year-on-year on many of the indicators, although there are some areas of decline where progress needs to be accelerated as set out in the indicator review. In this fourth year of our Commitments work, we realized the benefits of these efforts being embedded in our companies' operations. This has enabled us to launch campaigns with greater speed and reach.

Our 2016 achievements included progress that supported all five key areas of our Commitments:

	Commitment 1 Reducing underage drinking		Commitment 4 Reducing drinking and driving
	Commitment 2 Strengthening and expanding marketing codes of practice		Commitment 5 Enlisting the support of retailers to reduce harmful drinking
	Commitment 3 Providing consumer information & responsible product innovation		

Our sustained efforts while implementing these Commitments aims to build trust and collaboration among stakeholders at local community level, at higher levels of government, and with key stakeholders such as retailers and health advocates. We decided to report on this work in part through case studies that demonstrate the breadth and depth of these efforts, as well as candidly identifying some of the challenges that arise as we implement the Commitments within different countries and cultures. In addition to sharing quantitative data, we think it is crucial to also provide concrete examples of how our Commitments are making an impact. We also hope that our case studies will inspire more stakeholders to become partners in our work, and motivate like-minded organizations and governments in other countries to take stronger action to reduce harmful drinking.

Additionally, to develop this report, those of us who are commercially active in countries – meaning that where our member companies produce and market beverages – submitted comprehensive documentation of our 2016 actions and engagements in a data collection process monitored by Accenture Strategy. A selection of indicators included in this report were also subsequently assured by KPMG Sustainability. We report in detail on our key performance indicators (KPIs) on pages 51 through 60.



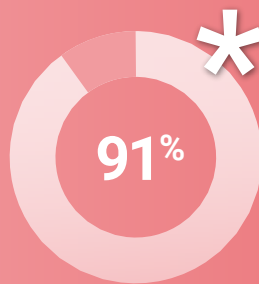
Underage Programs



10.74 million unique **underage individuals** collectively reached, a **10% increase** from 2015, with education programs through our work with NGOs, IGOs, and other interested stakeholders.



Advertising Codes



91% of our signatory companies' contracts with advertising agencies **included clauses for the agencies to comply** with the responsible alcohol advertising codes for our products – an increase of 5 percentage points from 2015.



Product Information



46% of brands* as of 2016

46% of brands carry responsible drinking messaging. Over 5 years, the signatories commit to **packaging that includes symbols and websites** on responsible drinking.

*8 companies report by brand.



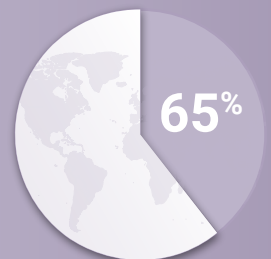
Drink Drive Programs

331

All 11 signatory companies reported drink driving prevention programs, for a combined total of **331 programs across 88 countries**, with an average of 44 per company – compared to 43 in 2015.



Retailing Initiatives



Local responsible retailing initiatives have been rolled out in **72 of the 110 countries (65%)** where our signatory companies are now commercially active. A total of **233 local responsible retailing initiatives** were reported in 2016.

ASSESSMENT OF 2016 PRIORITIES

Our 2015 Report identified key priorities where we would focus our efforts in 2016. The following table provides an assessment of each of these Commitments action areas.

2016 Priorities

Assessment

Commitment 1: Reducing underage drinking

- While primarily focusing on countries where signatories are commercially active, we will also make new tools available in 2016 to help stakeholders and engage with governments that have no legal purchase age (LPA) to encourage adoption of an LPA.
- Develop prototype / checklists for the adoption, implementation, and enforcement of LPA laws.
- Develop prototype / checklists for underage education programs suitable for implementation with industry partners.

Laws were not introduced during 2016 in any of the 11 markets which we identified as not having a legal purchase age (LPA) limit. However, signatories reported a total of 228,836 engagements with governments, police, retailers, and journalists to support LPA enforcement.

IARD began a collaboration with the Trinidad and Tobago Beverage Alcohol Alliance and Caribbean legal and judicial bodies to support LPA laws in the region. A regional workshop is planned for 2017 to showcase regional enforcement and educational practices.

The IARD Alcohol Education Guide (AlcoholEdGuide.org) contains checklists and step-by-step guidance for designing a new underage education program or evaluating an ongoing initiative.

Commitment 2: Strengthening and expanding marketing codes of practice

- Manage development of methodology and completion of the first public monitoring of the 70/30 principle* in digital media.
- Manage development of monitoring methodology of DGPs with the World Federation of Advertisers.

* The 70/30 standard specifies that advertising for alcohol should be placed only in media which can reasonably be expected to meet stated audience composition targets, where at least 70% of the audience is of legal purchase age (LPA).

Two compliance monitoring exercises were initiated in 2016 with the engagement of the World Federation of Advertisers (WFA) and independent expert organizations—Ebiquity and the European Advertising Standards Alliance (EASA). Ebiquity supported IARD and WFA in designing a management protocol for assessing the 70/30 principle in digital media, and EASA began development of a protocol to monitor the Digital Guiding Principles (DGPs). Both exercises are being conducted in 2017.

2016 Priorities

Commitment 3: Providing consumer information & responsible product innovation

- Phase II of consumer information website ResponsibleDrinking.org includes making it available in seven languages, adding an alcohol calculator (BAC, pure ethanol, calorie content), updating the links map, and including a search function.
- Annual review of website content and links reviewed with public health and communications inputs.

Assessment

IARD launched the consumer information website ResponsibleDrinking.org in 2015. The website is designed to be a dynamic resource and to reflect the growing evidence base over time. In 2016, the site's contents were updated into a new format, including nine different language versions (English, Chinese, Croatian, French, Japanese, Korean, Portuguese, Russian, and Spanish). The BACplus calculator was also added to enable site users to assess information tailored to their situation.

Commitment 4: Reducing drinking and driving

- Manage implementation of drink driving programs which focus on capacity-building, program implementation, and evaluation in four countries (Cambodia, Dominican Republic, Namibia, and South Africa) and two additional pilots (Argentina and Thailand).
- Collaborate with UN Regional Economic Commissions through workshop or capacity building activities on sustainable drink driving laws, enforcement, and road safety policies and best practices.

Seven years after the implementation of drink driving prevention initiatives in countries as diverse as China, Mexico, Nigeria, Russia, and Vietnam, local support is now ensuring that the programs are sustainable. In 2016, IARD focused its efforts to reduce drink driving in Cambodia, Dominican Republic, Namibia, South Africa, and Thailand. A separate report entitled "Drink Driving Initiatives 2016 Summary Reports" provides detailed case studies of our work and challenges.

IARD also was invited by the UN Economic Commission for Europe (UNECE) to use its methodological tools to support drink driving assessments in four countries: Albania, Dominican Republic, Georgia, and Vietnam. These papers will be published by UNECE in 2017.

Commitment 5: Enlisting the support of retailers to reduce harmful drinking

- Promote "Guiding Principles on Responsible Retailing" at retailer events.
- Manage / solicit retailer endorsement of the Principles.
- Develop prototype / checklists for the implementation of responsible retail initiatives.

Building on established relationships among Commitments signatories, SAOs and trade associations, we engage in programs supporting responsible retailing, and are seeking endorsements of the Guiding Principles.

Local responsible retailing initiatives have been rolled out in 72 of the 110 countries (over 65%) where our signatory companies are now commercially active. A total of 233 local responsible retailing initiatives were reported in 2016, compared with 251 in 2015.

OUR COMMITMENTS IN ACTION

CASE STUDIES

Our work to implement the Commitments around the world involves communities and countries with a broad range of cultures, resources, and alcohol-related issues. Accordingly, national and local contexts are continually shaping our work in combating harmful drinking. In 2016, we both refined and expanded our efforts – with an understanding that we can have greater impact when our initiatives are tailored to reflect social priorities and cultural values. These trends are reflected in the following case studies, which were developed to demonstrate the Commitments in action.

The case studies in this report represent a diverse set of actions, priorities, geographies, demographics, and challenges. They also reflect the many ways signatories work in different markets, representing programs implemented by individual signatories as well as through partnerships with trade associations, social aspects organizations, and other stakeholders.

From country to country these stories are still unfolding, with potential obstacles to overcome – from limited domestic resources to hesitant partners, social norms, and changing political climates. To develop the case studies, we interviewed local partners who shared their perspectives on what our efforts to help reduce harmful drinking really mean for communities, what trends they observe in terms of progress, and what they believe are the greatest challenges in deepening the Commitments' impact in their countries.

As reflected in the 2016 case studies, to a greater extent than in previous years, we tailored our Commitments work to address the top concerns in individual markets with approaches that leveraged the strengths of local and country-level partnerships. As we developed new methods of working together, we were better able to innovate with tactics to promote responsible drinking and champion public health. We partnered with experts from a diverse range of organizations – including academics and scientists, medical practitioners, mental health specialists, law enforcement professionals, and the media – to develop approaches and results that can help build the evidence base for strategies and interventions to reduce harmful drinking.

We worked to develop case studies through both an iterative dialogue with country stakeholders and an examination of the documentation submitted by signatories and their partners so that the case studies convey the strengths as well as weaknesses of certain approaches – highlights as well as challenges to our work. IARD selected the nine case studies and consulted with signatories on the criteria. In making our selection, IARD took into account different levels of action (two or more action areas), number of signatories commercially active (three or more signatories present and each signatory present in at least one case study), and diverse levels of progress. The programs described include results from a range of collective and signatory activities across the Commitments action areas.

These narratives are presented as “snapshots” and offer links to deeper background reports, digital and multi-media examples of our work, and information about our public- and private-sector allies. In addition, as we reflected on the information and insights gathered in each country, we articulated “lessons learned” that will guide our efforts moving forward.

We hope that these case studies will provide further incentive for stakeholders to take action in these countries, and that the work described in this report can be replicated in other countries as well.

Our Beliefs

- We believe that reducing harmful use of alcohol will benefit society and our businesses alike.
- We respect the rights of adults to choose to drink alcohol beverages, or to choose not to drink them.
- We believe that all alcohol beverages sold in a society should be appropriately and effectively regulated.
- We believe that alcohol consumption patterns are strongly influenced by many factors, including cultural, socioeconomic, and religious considerations.
- We believe the most feasible and effective measures to reduce harmful use of alcohol are evidence-based, take into account drinking patterns, and target specific instances of increased risk.
- We believe that governments, producers, and other stakeholders need to work together more vigorously to reduce harm associated with unrecorded or informal alcohol, given that it accounts for a significant portion of all alcohol consumed globally, particularly in many low- and middle-income countries.
- We support the implementation of the WHO Global Strategy to Reduce the Harmful Use of Alcohol and the constructive role Member States have identified for producers.
- We endorse the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015.

AUSTRALIA



Highlights

- **Underage drinking.** According to government statistics, fewer underage youth in Australia are drinking and the average age of first consumption has risen to 16.1 years. Officials attribute this trend to parents becoming less likely to provide alcohol beverages to underage youth.
- **Inclusion.** Indigenous Australians are engaging with responsible drinking campaigns at higher recorded levels than in the past, from face-to-face interactions to social media.
- **Population drinking shifts.** Australians of legal drinking age are drinking less, and the majority drink in a manner consistent with government-issued responsible alcohol consumption guidelines. According to the [Australian Institute of Health and Welfare](#), daily drinking has decreased, fewer people are drinking at risky levels, and more people are abstaining.

Challenges

- **Engagement across the board.** With vastly diverse populations across Australia, it is critical to consistently promote and support responsible drinking across all demographics.
- **Traction beyond initial advances.** We need to deepen our impact and reach Australians we haven't yet engaged with.
- **Sustainability.** With industry leadership, we need to ensure programs are contributing to sustainable reductions of misuse.

The Work and Results

We increasingly partnered with non-industry stakeholders in efforts to reduce alcohol-related harm in 2016. Several initiatives were coordinated through [DrinkWise Australia](#), an independent, not-for-profit social aspects organization (SAO) funded by Australian alcohol producers and the government of Australia. DrinkWise Australia's industry contributors include several of our signatory companies, including Bacardi, Beam Suntory, Brown-Forman, Diageo, Kirin, Pernod Ricard, and SABMiller (now AB InBev).

Partnering outside of the industry: Multi-sectoral initiatives

One example of our multi-sectoral work is the internationally acclaimed "[How to Drink Properly](#)" campaign, which addresses excessive drinking among young adults of legal



drinking age. Phase Two of this initiative was implemented through DrinkWise in 2016 utilizing a combination of social media, digital video, and geo-targeted marketing. We reached 2 million 18 to 24 year-olds, challenging them to moderate the intensity and frequency of their drinking. The campaign’s “How to Drink Properly” YouTube [videos](#) highlighted responsible drinking in various drinking settings, offering practical tips and advice. In accordance with Commitment 4 to help reduce drink driving, this guidance included specific warnings against drink driving. These messages highlighted Australia’s legal blood alcohol concentration (BAC) limit of 0.00 mg/ml for learners and probationary drivers, and a legal BAC limit of 0.50 mg/ml for other drivers.

A consortium of expert evaluators assessing the first phase of the campaign observed that:

- 81% of youth now consider the benefits of moderation
- 54% said the campaign gave them a platform to talk to friends about drinking
- 71% now reflect on their behavior when they go out

In 2016, the program was extended to include a “[How to Date Properly](#)” initiative which engaged more than 1 million followers on social media. This work involved a collaboration with the online dating platform Tinder, in which Australian youth were encouraged to “swipe right” to drink responsibly and “dating classy”.

DrinkWise announced [a new alliance](#) with ridesharing service Uber in June 2016. The launch coincided with the release of Uber data highlighting that access to safe and reliable rides has helped hundreds of thousands of people in Sydney make safer smarter choices when heading home after a night out. A recent [Temple University study](#) found that cities where Uber operates have 3.6% to 5.6% fewer drink driving deaths than cities without access to ridesharing services.

Emphasis on local: Refining initiatives for greater impact

A key 2016 initiative involved DrinkWise’s collaboration with [Red Dust Role Models](#), a not-for-profit organization dedicated to improving the health and well-being of Indigenous youth and adults. In alignment with Commitment 3 and our effort to provide consumer information more broadly, this alcohol education program included regular meetings in a safe and supportive environment for Aboriginal men, women, and students in Alice Springs in the Northern Territory. The initiative engaged 1,955 community members in 2016.

Red Dust initiatives reached young people – both directly and through adults who influence their behavior. This outreach to adults is crucial because while it is illegal in all Australian states for anyone younger than 18 years old to buy, drink, or possess alcohol beverages on licensed premises, there are exceptions in certain states when an underage individual is in the company of a guardian (and in some states, where underage youth are on private premises under adult supervision). Health promotion resources targeting underage youth and their families were viewed more than 15,000 times in 2016.

We also supported DrinkWise in re-launching its Parents campaign through the high-profile website [Mamamia](#). The initiative emphasized the role of parental influence and included [a video series](#) featuring influential leaders and media personalities as they talked openly with their teenage children about underage drinking and boundaries.

In addition, we worked with retailers and health agencies to increase public awareness of the “[It is safest not to drink while pregnant, Get the Facts](#)” campaign. In support of Commitment 3’s focus on consumer information and responsible product innovations, the education program utilized multiple platforms to reach consumers – including point-of-sale messaging, advertising, labeling, and packaging with links to the DrinkWise website.



Commitments Spotlight

Strengthening and expanding marketing codes of practice

In our work to deliver on Commitment 2 by strengthening and expanding marketing codes of practice, we furthered our efforts to uphold and promote Australia’s self-regulatory system for alcohol marketing outlined by the [Alcohol Beverage Advertising Code \(ABAC\) Scheme](#). A new independent Deputy Chief Adjudicator and new independent Chair of the ABAC Management Committee were appointed. The Committee is a cross-sectoral governance body composed of representatives from our companies, advertising, and government.

Alcohol producers increased their use of the ABAC’s pre-vetting mechanism. Nearly 1,600 marketing communications were submitted proactively by producers prior to market in 2016, with roughly 15% referred for revisions. In addition, with a target turnaround time of 30 days from complaint to determination, the ABAC Scheme averaged 22 days, surpassing past performance by almost 25%.

“I want to congratulate DrinkWise on the work that they are doing... they have taken an approach that makes sense for the broader Australian population, recognizing that nearly all Australians drink in moderation but for those for whom drinking is harmful, we need to support them and educate them. It is about a sensible balance and moderation.”

Hon. Sussan Ley MP
Minister for Health and Aged Care



Outreach Through Partnership

In 2016, we partnered with private and public sector stakeholders to more broadly disseminate key messages about responsible drinking.

- Melbourne's Spring Racing Carnival 2016: Pernod Ricard worked with Uber, the Victorian Racing Committee, Victoria Police, DrinkWise, and alcohol producers Lion and Treasury Wine Estates to display and broadcast anti-drink driving messages to Carnival audiences.
- Australia's "Schoolies Week:" In a nationwide effort to reach high school students celebrating the end of final exams, we worked with the Australian Liquor Stores Association (ALSA) and DrinkWise to promote HowtoDrinkProperly.com messages through geo-targeted social media and in-store assets such as digital screens and bottle bags.
- Cricket Australia: We partnered with Cricket Australia to promote "You Won't Miss a Moment (if you DrinkWise)" campaign messages and [videos](#) in broadcast media and in-stadium promotions that encouraged responsible drinking.



Commitments Spotlight

Diageo Bar Academy

In 2016, the Diageo Bar Academy for Australia featured a dedicated module on [Responsible Serving](#). This initiative included:

- an explanation of standard units and grams of alcohol provided to help consumers better understand their alcohol intake
- a step-by-step narrative on the effects of alcohol, from short-term effects such as slow reaction times and impaired judgment to longer-term consequences of heavy drinking on a regular basis;
- information on minimum legal purchase age (LPA) for alcohol beverages, legal blood alcohol concentration (BAC) limits for drivers, and marketing restrictions
- tips for responsible hosting

Lessons: Insights Informing Our Efforts

Measuring long-term behavioral change. Our results are currently limited to influences on attitudes toward drinking, with our long-term goal to influence behaviors. Most experts agree that credibly evaluating long-term behavior change requires third party longitudinal studies, with five or more years of data.

The power of local. We have seen increased traction with our outreach when we address issues unique to certain regions (for instance, in the Northern Territory) and engage local and regional ambassadors. While our Commitments are global, realizing their promise requires investment in locally-tailored initiatives.

Integrated messaging amplifies impact. In 2016, we realized new levels of collaboration among stakeholders from diverse sectors – from alcohol producers to law enforcement, media, sports organizations, retailers, and the entertainment industry. Multi-stakeholder engagement and cohesive integrated responsible messaging that can be used by all, can significantly broaden the footprint of our work.

Our efforts in support of the Commitments in Australia were implemented by Bacardi, Beam Suntory, Brown-Forman, Diageo, Kirin, Pernod Ricard, and SABMiller (now AB InBev). *For detailed metrics, see the KPI Review section of this report.*

Highlights

- **New levels of digital engagement.** We worked with our partners to utilize social media in innovative ways in 2016 achieving new levels of digital engagement.
- **Ownership at the local level.** Throughout the country, local partners worked with us and our trade associations to encourage public dialogue about responsible drinking. We engaged the public through large events, including traditional festivals.
- **A dedicated focus on preventing underage drinking.** We saw increased support for our initiatives focused on underage drinking.

Challenges

- **Harmful drinking remains a significant issue.** While we have made progress in building coalitions to combat harmful drinking, there is still room for even greater collaboration in our Commitments work.
- **Underage drinking is of critical concern.** We remain very concerned that underage youth are drinking with the consent of their parents and adult influencers. We need to continue to raise awareness of the dangers of underage drinking among both underage young people and their adult influencers.
- **Building on digital engagement.** Now that we have established an online presence with our Commitments work in Brazil, we need to examine additional strategies to ensure that this engagement translates to a reduction in harmful drinking.

The Work and Results

Our efforts in 2016 were focused on increasing outreach and engagement at the local level. Much of this work was conducted in collaboration with the Brazilian Association of Alcohol Beverages ([Associação Brasileira de Bebidas](#) - ABRABE) and the Brazilian Beer Industry Association ([Associação Brasileira da Indústria da Cerveja](#) - CervBrasil), both trade associations supported by our companies.

Strong digital engagement

In 2016, the ABRABE-run program “No Excess” (“[Sem Excesso](#)”) used its digital presence to actively engage the public about responsible drinking on multiple platforms. Sem Excesso aims to reach a broad public audience with guidance on engaging in responsible

drinking, including warnings about drink driving and drinking while pregnant, messages to combat underage drinking, and information about the risks and consequences associated with excessive alcohol consumption. In addition to a [Facebook](#) outreach campaign, program organizers conducted a robust online [outreach campaign via YouTube](#). Building on these digital followings, Sem Excesso debuted on Twitter (@sem_excesso) in March 2016 with the promotion of the hashtag #semexcesso (#noexcess). The messaging was also promoted by Sem Excesso partners – including local airlines, traffic authorities, and broadcast radio. Over the course of the year, the initiative generated nearly 160,000 unique website visitors, more than 400,000 YouTube views, and more than 808,000 Facebook likes. The 2016 Twitter launch of Sem Excesso reached more than 50,000 followers.

In addition, we accelerated the program’s offline engagement through special events, posters, conventional media coverage, and informational literature. In June 2016, Sem Excesso engaged with more than 185,000 people directly and indirectly at the annual São João de Caruaru festival in Pernambuco through a special exhibit, posters, and information developed specifically for the traditional celebration. Exhibit visitors were encouraged to share their videos on social media. Two hundred digital videos were selected for the booth’s projection screen, which was visible to 2 million festival-goers. The summer “No Excess” campaign engaged 7 million people in Brazil directly and indirectly through a series of public events and workshops.

In 2016, Sem Excesso [launched a web film series](#) consisting of 10 short films that addressed topics such as peer pressure to consume alcohol beverages, the effects of alcohol on the body, and the consequences of excessive drinking. The series was filmed in the regions of Jardim Ângela, Higienópolis, Vila Madalena, and Central de São Paulo and depicted youth discussing alcohol-related issues in group settings, on mobile devices, and on social media. The series also featured insights from Dr. Maurício de Sousa, an adolescent health specialist who set apart the facts and myths about drinking. The series



Commitments Spotlight

Local Ownership: The fight against underage drinking

In 2016, the Responsible City Project ([Projecto Cidade Responsável](#)) implemented in partnership with CervBrasil, community organizations, and government agencies was extended to the municipalities of São Bernardo de Campo and São Paulo.

A focal point of this work was the Responsible City Competition, which called on students and teachers to submit their ideas for stimulating ongoing public dialogue about underage drinking. More than 3,000 entries were submitted. The initiative reached tens of thousands of people with the top three student entries receiving a total of more than 26,000 votes, and the top three teacher entries receiving a total of more than 46,000 votes.



“Responsible drinking initiatives developed by the industry are extremely beneficial. We must join forces to promote responsible consumption and delay the first drink – especially before the age of 18, when youth are in developmental phases physically and psychologically. Communications financed by alcohol producers are critical to healthy dialogue that will help young people make responsible decisions about drinking.”

Dr. Maurício de Sousa
Adolescent Health Specialist

accrued more than 300,000 YouTube views in 2016, reached 50,200 Twitter followers, and recorded 1,240 face-to-face engagements with adult influencers through local workshops.

Additional 2016 local activities included the following:

- Responsible City Project organizers distributed materials to 1,300 attendees at the 80th annual Open Interior Horácio Barioni Baby sporting event in September 2016, generating more than 265,000 related social media impressions, and 33,000 related YouTube views.
- Approximately 10,000 underage youth and adult influencers were reached at the 30th annual Festa do Peão de Americana in June 2016.
- 100 young competitors and 600 members of the audience were directly engaged through responsible drinking announcements, signage, leaflets, and online communications at a São Bernardo de Campo Municipal Skateboarding Event in June 2016.
- 1,500 registered participants were directly engaged as they participated in the Responsible City Project Ecological Walk through Serra do Mar State Park in June 2016.
- 5,000 attendees were directly engaged through a series of workshops, events, public announcements, and subsequent online and social media communications at an International Youth Day event held in August 2016.
- 500 youth and adult attendees were directly engaged at a Fundação Criança event in São Paulo headlined by former Brazilian football player Cafu in August 2016, and a related video posted on Facebook generated more than 16,000 views.

Lessons: Insights Informing Our Efforts

Sustained efforts develop traction. In our fourth year of Commitments work in Brazil, we saw new levels of success in attracting private and public sector partners, which in turn contributed to broader engagement levels, both online and offline.

New strategies are needed to combat underage drinking. Underage drinking remains a prevalent issue in Brazil and according to experts, the problem is partly rooted in cultural norms. We are in dialogue with our partners about new ways to address this critical issue.

Additional partners are needed. Our trade associations should be commended for the significant role they play in helping us implement the Commitments. We hope to further expand our stakeholder network in Brazil to include additional private and public partners, as we have done in other countries.

AB InBev, Bacardi, Diageo, HEINEKEN, and Pernod Ricard carried out this work in collaboration with local and regional partners. *For detailed metrics, see the KPI Review section of this report.*

DOMINICAN REPUBLIC

Highlights

- **New levels of partnership.** The 2016 Memorandum of Understanding (MoU) was the outcome of collaboration between the public sector and alcohol producers at a level not previously demonstrated in the country. Furthermore, it involved signatory and non-signatory companies working together to combat harmful drinking.
- **Momentum for a unified marketing code.** Our companies have long followed our own individual marketing codes. Under the MoU, we and our industry peers have agreed to develop a unified code, a first for the Dominican Republic.
- **A collaborative “Alcohol Cluster” is taking aim at harmful drinking.** We are now included as participants in a series of meetings hosted by the cross-sectoral “Alcohol Cluster.” This partnership is helping to guide our plans and activities in support of the Commitments in the Dominican Republic.

Challenges

- **A need for greater impact on drink driving.** According to the 2015 WHO Global Status Report on Road Safety, the Dominican Republic ranked first for highest level of road traffic crash fatalities in Latin America.
- **New collaborations can take time.** With a multi-sectoral coalition newly in place, there has been an emphasis on consensus and planning. While this thorough planning is important, it has meant that activities are not being implemented at the pace we anticipated.
- **Outreach to retailers must continue and accelerate.** While anecdotal evidence shows that retailer awareness about harmful drinking has increased, more can be done to convince retailers to become active participants in our Commitments work. We are expanding retailer outreach across the Dominican Republic in 2017.

The Work and Results

Much of our work to implement the Commitments in the Dominican Republic in 2016 was carried out in collaboration with three prominent nonprofit associations composed of beer, wine, and spirits producers:

- Dominican Association of Manufacturers of Beer, Inc. (ADOFACE)
- Dominican Association of Producers of Rum, Inc. (ADOPRON)
- Representatives and Importers of Wines and Spirits Associates, Inc. (RIVLAS)



Landmark MoU: private-public partnership in support of Commitments

We [signed a Memorandum of Understanding \(MoU\)](#) with the Ministry of Health and Welfare (SESPAS) in May 2016 – the first of its kind in the Dominican Republic. The MoU established a comprehensive work plan to address Commitment 1 to reduce underage drinking, Commitment 2 to strengthen and expand marketing codes of practice, Commitment 4 to reduce drink driving, and Commitment 5 to enlist the support of retailers in our efforts to reduce harmful drinking.

The agreement and the subsequently-established MoU Committee were the result of discussions coordinated by the signatory-sponsored [International Alliance for Responsible Drinking \(IARD\)](#). These sessions brought together our companies, local industry, and government partners, including the Ministry of Health, the Metropolitan Transport Authority (AMET), the Ministry of Education (MINERD), the Ministry of Public Works and Communications (MOPC), the Ministry of Interior and Police (MIP), and the Office of the Attorney General (DGR). Since signing the MoU, we have expanded our coalition to include additional health and safety agencies. Throughout 2016, the MoU Committee held monthly meetings focused on developing action plans in support of the Commitments, as well as assessing activities already underway.

As a young coalition, some with very different backgrounds and viewpoints on alcohol-related issues – regular dialogue was needed to establish common ground for working together. As a result of our collective persistence, we were able to – as one stakeholder put it – “break the paradigm of thought that public and private can’t work together.”

Sustainability: Building programs from the ground up

With our collaboration in place, we moved forward with three new lines of work:

Combatting Underage Drinking

In 2016, the Ministry of Education approved the implementation of an underage drinking prevention program. The “Ask, listen and learn: Youth and alcohol don’t mix,” initiative was developed in collaboration with the U.S.-based [Foundation for Advancing Alcohol Responsibility \(FAAR\)](#), a non-profit organization dedicated to reducing underage drinking and drink driving. The campaign was designed using [FAAR program models](#) successfully implemented in the U.S. and three Caribbean islands.

The program aims to reduce underage drinking by: promoting conversations about alcohol beverages among children and teens, parents, and teachers; enhancing the impact of those conversations by providing parents and teachers with accurate information about alcohol and health; and empowering children to “say no” to drinking and “yes” to a healthy lifestyle.

Responsible Retailing

In support of Commitment 5, we launched our first targeted outreach to Dominican Republic alcohol wholesalers and retailers in 2016, delivering a series of detailed presentations to promote responsible sales and service. The sessions explained each of the five Commitments and stressed the critical role retailers play in harmful drinking prevention efforts – particularly when it comes to reducing underage drinking and drink

DOMINICAN REPUBLIC

driving. These meetings addressed the importance of age verification procedures in accordance with the law and provided suggestions on how to ensure responsible service and prevent customers from driving after they have been drinking.

We also completed the foundational work required to implement a new Movement +18 program. Once approved by government ministries, this initiative will involve robust outreach at the local level with point-of-sale signage and promotions that emphasize the country's legal purchase age of 18 years old. The campaign will involve age verification training for retail staff as well as direct outreach to consumers through face-to-face engagements at public events, social media, online advertising, and conventional media.

Strides In Generating A Unified Marketing Code

To strengthen marketing codes of practice, we began regular discussions among beer, wine, and spirits producers in the Dominican Republic with the aim of creating a unified, single self-regulatory code. Over the course of the year, we produced a list of 15 agreed upon key principles that will be incorporated in the unified code as drafting sessions continue in 2017.

The principles address all aspects of marketing, from packaging and labeling to responsible drinking reminders, or symbols, about alcohol and pregnancy and conventional advertising. The principles also address online marketing in keeping with the [Digital Guiding Principles \(DGPs\)](#).

Anti-drink driving work expands beyond pilot phase

According to WHO, the Dominican Republic ranked first for the highest level of road traffic crash fatalities in Latin America, with 29.3 fatalities per 100,000 residents. While the country has a law that prohibits driving a vehicle while under the influence of alcohol, there is no legal maximum blood alcohol concentration (BAC) limit for drivers.

In 2016, we evaluated progress made with a 2015 pilot program coordinated by IARD in the capital city of Santa Domingo. We brought together 35 government, law enforcement, and civil society stakeholders for a capacity-building workshop, where participants engaged in discussions with international road safety experts about police training, breathalyzers, and interventions such as sobriety checkpoints. In addition to agreeing that it was a priority to establish clear legal BAC limits for drivers, participants agreed that they needed to make an impact in reducing drink driving, even in the absence of a codified legal BAC limit.

We worked with our partners to design a nationwide road safety program with the objectives of raising overall road safety awareness across the country and increasing law enforcement officials' capacity to intervene through regular roadside breath testing. In addition, we presented to the MoU Committee our plans for a designated driver program shown to be effective in neighboring Trinidad and Tobago. The "Who will be driving you?" campaign in the Dominican Republic will use a combination of social media and conventional messaging platforms to reinforce the dangers of drink driving and the critical role of designated drivers.



“ We value in a positive way the efforts of IARD to foment, through its programs, the responsible consumption of alcohol to prevent traffic crashes, and above all, save lives. ”

Congressman Tobias Crespo
Sponsor of new road traffic legislation

In 2016, we also continued our dialogue with government agencies and legislators, supporting the introduction of legal BAC limits nationwide.

Lessons: Insights Informing Our Efforts

Reaching across perceived lines is making a difference. Working with our partners, we have succeeded in building an alliance of diverse stakeholders who, for the first time, are working together to combat harmful drinking. Achievements such as the MoU are possible with persistence in finding common ground.

Building partnerships from scratch requires real dialogue and time. We believe in bringing an inclusive range of stakeholders to the table in our work to implement the Commitments. While we can't produce immediate data points from the dialogue required to work together, we can lay the groundwork for joint efforts that can accelerate and ultimately make a measurable difference in reducing harmful drinking.

Replicating documented best practices helps to leverage time and resources. Plans developed within the framework of the Alcohol Cluster have been strengthened by insights from our work in other countries. Replicating best practices and tailoring programs for local context is proving to be an efficient, promising way to build programmatic infrastructure.

Diageo, Pernod Ricard, and AB InBev were at the forefront of this work, along with local alcohol producers in the Dominican Republic. *For detailed metrics, see the KPI Review section of this report.*

Highlights

- **Increased outreach to women about harmful drinking.** In partnership with private and public sector stakeholders, we engaged more than 67,000 women in 2016 with targeted efforts to prevent harmful drinking by women and to raise awareness of the health risks associated with drinking during pregnancy.
- **Increased development and production of low- and no-alcohol beverages.** Our brewers reported a milestone year in developing and promoting no- and low-ABV beverages, reaching more consumers than ever, as a direct response to changing drinking behaviors.
- **Strides consistent with Healthy Japan 21.** We increased our support of the 10-year nationwide public health campaign, Healthy Japan 21.

Challenges

- **Making more progress with marketing codes of practice.** With important marketing code updates made in 2016, we are committed to further accelerating progress in our self-regulation efforts.
- **More harmful drinking reported by women.** This is a recently-emerging challenge and relates to possible increased risks, including drinking during pregnancy. While initial outreach statistics are promising, longer-term engagement and analysis of progress will be required.
- **Reducing drink driving.** While we have long-established efforts to address drink driving, it is time to work towards making further measurable progress on this front.

The Work and Results

We intensified our efforts to reduce harmful drinking in alignment with the nation's "[Healthy Japan 21](#)" objectives. Originally launched by the Ministry of Health, Labor and Welfare in 2003 – then launched for a second 10-year term in 2013 – one of Healthy Japan's five primary objectives is to enhance people's everyday health habits. In addition to a focus on nutrition, exercise, and a reduction in smoking, the campaign endeavors to reduce harmful drinking rates among adults, discourage drinking among pregnant women, and deter underage drinking. We worked to help deliver on the harmful drinking component of this nationwide agenda.



Healthy Japan 21 Targets

- Longer healthy life expectancy
- Prevention of “lifestyle-related” noncommunicable diseases
- Maintaining engagement in social life
- A social environment to support and protect health
- Improving everyday health habits
 - Nutrition
 - Exercise
 - Rest
- **Reducing harmful drinking**
 - No smoking
- Dental and oral health

Our member companies frequently collaborated in delivering initiatives to reduce harmful drinking, often through the [Brewers Association of Japan](#) (BAJ) and the [Japan Spirits & Liqueurs Makers Association](#) (JSLMA). Through this work, we sought to further engage chain retailers as well as smaller beer, wine, and spirits producers who sometimes lacked budgetary support for corporate social responsibility activities.

Within the broader context of Healthy Japan 21 targets, our 2016 Commitments work focused on: (1) reducing harmful drinking among adults, including women; (2) strengthening and expanding our marketing codes of practice; (3) combatting underage drinking; and (4) delivering responsible product innovations. Details on this work follow.

Addressing an emerging concern: Increased drinking reported by women

According to government statistics, increases in women’s participation in Japan’s labor market correlated positively with their levels of drinking, thereby prompting concern about harmful drinking among women. In response to this trend and in support of Commitment 3’s focus on consumer information, we partnered with the Ministry of Health to develop and promote a “Pregnant Woman and Baby Health Notebook” mobile app. Content featured on the app includes written and pictorial warnings about the risks associated with drinking during pregnancy, and offers pregnancy health guidance in a month-by-month narrative. Approximately 321,500 app downloads were recorded by January 2017.

In addition, we supported the development and promotion of an online campaign that provided information and guidance for women about their health, as well as their lifestyle choices. The “[Mynavi Woman](#)” website offers a “life guide for working women”. The site’s content encourages moderation for adult women who choose to drink and carries health warnings about drinking during pregnancy. The website drew 10 million unique visitors in 2016.

Expanding our efforts: Responsible marketing practices

In keeping with Commitment 2 to strengthen and expand marketing codes of practice, we engaged in dialogue with health advocates, marketing experts, and government partners to formally improve our established self-regulatory practices. A significant development



The Brewers Association of Japan (BAJ) is supported by a consortium of brewers which includes signatories Asahi, Suntory, and Kirin.



The Japan Spirits & Liqueurs (JSLMA) is supported by a consortium of spirits producers which includes signatories Asahi, Beam Suntory, and Kirin.

was our collective, voluntary agreement to strengthen provisions to ensure we market responsibly to adults in our alcohol beverage advertising and promotional materials. Specifically, we agreed to:

- not use actors who are younger than 25 years old
- not portray actors in a way that makes them appear to be younger than 25 years old
- not use characters or actors who may be considered attractive to underage people
- not use “glugging” or “chugging” sounds or include close-up images of actors’ necks or throats in television commercials featuring actors drinking alcohol beverages (based on experts’ observations that such sounds and images could be perceived as encouraging rapid consumption)

These amendments to our self-regulatory code apply to all advertisements and promotions on television, online, and in print.

Deepening impact: Reducing underage drinking

We collaborated to implement STOP!, the underage drinking campaign in support of Commitment 1 to reduce underage drinking. The program utilized a multi-media approach to reach retailers nationwide as well as 69,000 underage youth and their adult influencers, which included 114,000 teachers. Using a combination of online, print, and point-of-sale signage, the program reinforced the legal drinking age of 20 years old, and reminded retailers that they should consistently comply with the minimum legal purchase age (LPA) of 20 years old. STOP! innovations in 2016 included stickers, new signage, and updated point-of-sale reminders. In a complementary effort, we also developed a board game to support the program.

BAJ reported the participation of 32% of retailers nationwide, including the largest five retail chains in Japan. National franchise and chain store associations proved to be critical partners in the effort. In addition, results of a 2016 survey demonstrated high awareness levels of the campaign among both underage youth and adults. While underage youth have consistently reported awareness levels of roughly 90%, awareness levels among adults are now being reported in the 90%+ range as well. Based on surveys conducted by BAJ, public recognition of the STOP! campaign logo is now 85%.

“Educators in Japan think highly of BAJ’s efforts for many years to prevent underage drinking – their work prepares students to think for themselves, rather than giving them a one-way lecture. This is also a good reference point for teachers when addressing other issues with a focus on students’ capacity for healthy decision-making.”

Sigeo Namiki
Head of the Secretariat
Japanese Society of School Health



Commitments Spotlight

Broadening the reach of efforts to reduce underage drinking: School Nurses

In Japan, alcohol education and in-school efforts to prevent underage drinking are generally led by school nurses. BAJ, in collaboration with the Japan Educational Press, presented a series of training seminars for school nurses, providing information to help them communicate about underage drinking. BAJ disseminated posters and other promotional materials emphasizing the importance of not drinking while underage to support these seminars. Student participants were also invited to take part in a competition.

The seminars, which were led by a Professor of Psychology at Hosei University, were held in Tokyo, Osaka, and Nagoya, and the program was completed by 42 nurse teachers. The curriculum emphasized the importance of social skills training as a support measure for students and provided content that could be integrated in nurses' lesson plans, including an educational DVD. In post-seminar surveys, verbatim responses included comments such as "the seminar is easy to understand and very interesting," and "I will use the DVD distributed by the BAJ for education to prevent student drinking."

Responsible product innovation: Breaking new ground with low- and no-ABV beverages

Our signatory brewers expanded their development of no- and low-alcohol by volume (ABV) beverages. In 2016, there was an estimated 1.8% increase in combined shipments of no-alcohol beer nationwide compared to 2015, with an additional 17.69 million cases of beer shipped over the course of the year. It is noteworthy that these products have consistently gained ground in the Japanese market over the past eight years, making even an incremental increase at this juncture a significant one.

These results stem from our expanded investment in research and development. Importantly, these new beverages provide consumers with clear signals about their content and detailed information labels. With growing consumer demand for lower-ABV products that are compatible with changing lifestyles and drinking behaviors, we will continue to pursue responsible innovations in Japan as well as in other parts of the world.

Lessons: Insights Informing Our Efforts

Significant efforts require significant partnership. To address self-regulation and drink driving, we are pursuing new and renewed partnerships with government, law enforcement, retailers, medical experts, and the media.

An innovation agenda can be powerful. We will continue to develop responsible product innovations that align with changing alcohol consumption patterns.

Engagement with other businesses should expand. In Japan, we operate within a diverse marketplace with many smaller companies – and retailers ranging from large chains to many small, locally-run stores. Fully implementing the Commitments requires the involvement of producers and retailers of all types and scales, and new strategies need to be put in place to ensure this happens.

“The roles and responsibilities of beer, wine, and spirits producers are defined in the Basic Act for Prevention and Reduction of Alcohol-Related Diseases of 2014, particularly with regard to the prevention of harmful drinking. I acknowledge the long-term commitment of alcohol producers and retailers in this work, including programs focused on preventing underage drinking and drink driving. I look forward to their ongoing efforts as key stakeholders in our work to help reduce harmful drinking.”

Dr. Hitoshi Maesato

Director of Education & Information, National Hospital Association,
Kurihama Medical & Addiction Center

Asahi, Suntory, and Kirin are members of BAJ . Asahi, Beam Suntory, and Kirin are members of JSLMA. In addition, Bacardi, Molson Coors, and Pernod Ricard are also commercially active in the market. These companies carried out this work both individually and working together. *For detailed metrics, see the KPI Review section of this report.*

Highlights

- **Reduce underage drinking.** We made measurable strides in outreach to deter underage drinking – largely through initiatives targeting underage youth, adult influencers, and retailers. Social media impressions reached into the millions and supported face-to-face engagements.
- **Expanded engagement with retailers and servers.** Our continued and expanded engagement with retailers and servers is strengthening our efforts to reduce underage drinking, disseminate consumer information, and deter drink driving.
- **Deepened traction for drink driving campaigns.** The majority of states now have police officers recently-trained to conduct roadside alcohol breath tests. In one focus state, there was a 44% decrease in alcohol-related road traffic crashes reported between 2013 and 2016.

Challenges

- **Coordination of stakeholder efforts.** With 32 states, hundreds of municipalities, and thousands of stakeholders, our efforts require much greater coordination and communication among our member companies and partners.
- **Alignment of efforts despite policy disparities.** In light of disparities in law, policy, and practice from state to state, we need to enhance the consistency of messaging and actions in our work to create cohesive programs.
- **Consistency of retailer engagement.** There is a need for more frequent training and outreach to consistently reinforce guiding retailer principles, especially as retail employee turnover tends to be high.

The Work and Results

We stepped up our efforts to partner with non-industry stakeholders, resulting in stronger collaboration and a heightened social media presence. In 2016, we frequently worked in partnership with (1) brewer-supported [Cerveceros de México](#) and (2) Foundation of Social Research A.C. ([Fundación de Investigaciones Sociales A.C. - FISAC](#)), funded by wine and spirits producers. Our member companies HEINEKEN and AB InBev are members of Cerveceros de México, and FISAC's members include signatories Bacardi, Beam Suntory, Brown Forman, Diageo, and Pernod Ricard, as well as non-signatory company José Cuervo.

Partnering outside of the industry: Combined focus on Commitments 1 and 5

We made important advances in our work in support of Commitment 1 to reduce underage drinking and Commitment 5 to enlist retailer support. The nationwide anti-underage drinking campaign #NotEvenASip ([#NiUnSoloTrago](#)) targeted three audiences that play a critical role in reducing underage drinking: adult influencers, retailers, and underage youth. This multi-sectoral work was the result of a joint effort by our companies, the federal Secretariat of Health (Secretaría de Salud - SSA), the National Commission against Addictions (Comisión Nacional contra las Adicciones - CONADIC), the Federal Commission for Protection against Health Risks (Comisión Federal para la Protección contra Riesgos Sanitarios – COFEPRIS), and retailers. All organizations supported the effort, which featured a digital [video](#) that was viewed over 300 times on YouTube and nearly 16,000 times on Facebook and Twitter in 2016.

In another program focused on Commitments 1 and 5, more than 300,000 consumers in Mexico were reached by the campaign, “[No Te Hagas Güey](#)” (“Don’t pretend you didn’t see”). Cerveceros de México, in collaboration with federal health authorities, implemented the initiative, which focused on preventing alcohol beverage sales to underage youth in convenience stores, supermarkets, restaurants, and nightclubs.

The campaign’s launch [video](#) generated 164,000 YouTube views and 80,000 Facebook shares in its first 60 days. Championed by more than 30,000 industry members who took to the streets to share the message on launch day, the campaign emphasized the roles that vendors and parents can play in deterring underage drinking. Cerveceros de México produced a subsequent television spot, “I ask you to ask me” (“[Te pido que me pidas](#)”), which emphasized the role that retailers can play in reducing underage drinking.

In addition, we partnered in delivering the 360 communications campaign “[You’re the Scary One](#).” The initiative’s digital, video, and illustrative messaging incorporated a horror story format and “spirit” character who runs off after seeing an adult about to offer an alcohol beverage to their underage son. In 2016, the campaign reached more than 1 million people through a combination of traditional and social media.

Reinforcing initiatives locally: Deepened outreach to fight drink driving

In our work to deepen the impact of Commitment 4, we took on the challenge of developing consistent messaging, despite legal blood alcohol concentration (BAC) limits varying by state. Our 2016 efforts followed a transition from an anti-drink driving program coordinated by the [International Alliance for Responsible Drinking](#) (IARD) to the “Towards Zero Deaths from Drinking and Driving” program coordinated by FISAC in partnership with CONADIC.

A highlight of the program was a Collaboration in Prevention agreement signed between FISAC and CONADIC to implement the “Drive Alcohol Free” program nationwide per presidential mandate. The result was government collaboration at the local, state, and federal levels for the Drive Alcohol Free breathalyzer program and immediate detention



“I would like to express my gratitude for the workshop and training given to the personnel in the Alcoholometry Program of the state. The quality of the information and speakers was excellent, and the impact these courses had on our program is high.”

Dr. Francisco Bernabé Jiménez
Puebla Health Secretariat



Commitments Spotlight

PRECTA and TIPPS

In support of Commitment 1, the Psychology Faculty at the Anahuac University (Campus Mexico South), with funding from the Pernod Ricard Foundation Mexico, developed a five-year investigation termed the Prevention Program on Early Use of Alcohol (PRECTA). This research sought to evaluate four different strategies. The research conducted with more than 2,500 children illustrated group dynamics. Specifically, the FISAC’s model TIPPS, demonstrated the best results. A prevention manual called “For an Alcohol-Free Childhood” was developed based on TIPPS.

Independent evaluations of the TIPPS program have indicated that students participating in the program report increased awareness about the risks associated with alcohol beverage consumption, as well as the importance of legal-age adults consuming in moderation. The TIPPS program has been validated by the Health Secretariat, the Public Education Secretariat, the National Polytechnic Institute, the General Department of Medical Attention, and the National Autonomous University of Mexico.

of drivers who registered BAC levels exceeding 0.4 mg/ml. A comprehensive “Train the Trainer” breathalyzer workshop, which was completed by nearly 1,900 people in 2016, including police officers, human rights advocates, and health specialists, was central to this effort. The initiative expanded to 220 municipalities in 26 states in 2016 and CONADIC tailored the “Train the Trainer” program so it was relevant to hotline counselors of the Citizen Center for the Attention of Addiction (Centro de Atención Ciudadana contra las Adicciones – CECIADIC).

In the state of Puebla a review of the 2013-2016 scope of work indicated that more than 150,000 people were engaged in our initiatives to reduce drink driving. More than 29 municipalities were engaged in the effort coordinated by FISAC and the state government of Puebla. Our work with Puebla also included “Train the Trainer” programs, which were delivered to the state Public Education secretariat, as well as to guidance counselors at the University of the Americas in Puebla (UDLAP) and the Meritorious Autonomous University of Puebla (BUAP).

Refining and strengthening efforts on multiple fronts

We recorded additional progress in our Commitment 2 work to strengthen and expand marketing codes of practice. Each of our companies has long had its own voluntary code of practice and has signed an industry-wide agreement with Mexico’s leading self-regulatory authority, the Council for Self-Regulation and Advertising Ethics (Consejo

de Autorregulación y Ética Publicitaria - CONAR). Within this context, our focus in 2016 turned to gaining further consistency among codes. Cerveceros de México hosted a series of public meetings with the objective of establishing a common code for brewers. The dialogue involved input from stakeholders including consumers, retailers, and CONAR experts, and COFEPRIS. This work is currently on track to produce a unified code of practice in 2017.

In addition, we partnered with retailers Modelorama, Six, and Oxxo in Guadalajara, Jalisco to reinforce the importance of implementing responsible retailer principles. The effort involved training sessions for retail staff based on the [Guiding Principles for Responsible Retailing](#) and [Responsible Retailing Compendium of Best Practices](#). The sessions focused on improving compliance with legal purchase age (LPA) laws, eliminating irresponsible promotions, understanding signs of excessive consumption, denying service to intoxicated customers, and encouraging safe transport options.

We also partnered with FISAC to conduct a series of Responsible Service Training workshops in Mexico City and surrounding metropolitan areas. The comprehensive curriculum addressed the importance of age verification procedures, serving responsibly, and helping intoxicated customers secure alternative transportation.

The Power of Face-To-Face Engagement

Health fairs: In support of Commitment 1, we partnered with FISAC to present Health Fairs in high schools and universities across the country. We reached 80,000 underage youth and adult influencers with messages emphasizing the importance of not drinking when underage.

Mitos y Realidades: Also in support of Commitment 1, we worked with FISAC to deliver workshops promoted as Zero Underaged Drinking: Fact or Fiction (“Cero Alcohol a Menores. Mitos y Realidades”). The sessions, which featured speakers and [videos](#), were developed to increase risk perception among underage youth and debunk myths with scientifically accurate information. Nearly 2,200 individuals were engaged face-to-face at these events in 2016.

Platicando con mis Hijos Sobre Alcohol (Talking with my Children About Alcohol): In support of Commitment 1 as well as Commitment 3, we collaborated with FISAC to present a series of workshops for parents that explained how alcohol can impact health, how parents can play a role in deterring underage drinking, and how parents themselves can avoid harmful drinking. The program reached nearly 1,700 adults in 2016.



“I would like to recognize the significance of the training we received regarding the program ‘Drive Alcohol Free.’ Our personnel in the Breathalyzer Program of Mazatlán are now equipped to implement our program professionally and respectfully, within the broader context of road safety. We look forward to continuing to build our capacity to promote safer conditions for everyone using our roads.”

Lic. Armando Verdugo Henderson
Municipal Council of Public Safety of
Mazatlán

Lessons: Insights Informing Our Efforts

Face-to-face remains highly relevant. While social media has played a significant role in expanding the reach of our efforts, face-to-face engagement remains a critical component of our work. Anecdotal evidence indicates that as digital engagement with an initiative increases, face-to-face engagement increases as well – and vice versa. We are taking this insight into account as we plan future Commitments work.

Retailer engagement presents challenges. In countries such as Mexico where we have begun to engage retailers, this engagement can only make a lasting difference if licensed retailer employees are properly and consistently trained. This will require more robust responsible retailing initiatives aligned with the Guiding Principles for Responsible Retailing and the Responsible Retailing Compendium of Best Practices.

A single, integrated initiative can impact multiple Commitments. Initiatives composed of retailer training and outreach to adult influencers can address multiple Commitments in a single project or phase of work. This perspective is helping to shape the design and development of our campaigns moving forward.

Our lead companies in these efforts were AB InBev, Bacardi, Beam Suntory, Brown Forman, Diageo, HEINEKEN, Pernod Ricard, and SABMiller (AB InBev as of October 2016). For detailed metrics, see the KPI Review section of this report.

Highlights

- **Focus on responsible drinking across the board.** Drawing on the success of previous, more targeted initiatives, we further integrated our efforts to address harmful drinking in 2016 with campaigns addressing multiple Commitments areas simultaneously.
- **Greater emphasis on underage youth.** We expanded our programs to reach underage youth and communicate about the dangers of underage drinking, including efforts to engage more adult influencers in our work to reduce underage drinking.
- **Decline in drink driving.** As targeted enforcement efforts have increased, government statistics indicate that alcohol-related road traffic crashes in Poland have decreased by 55% over the past decade (from 6,503 in 2007 to 2,967 in 2016).

Challenges

- **Consumer misperceptions about alcohol beverages.** According to 2016 research, many Polish nationals report low levels of awareness about harmful drinking and its impact and have misconceptions about alcohol-related impairment.
- **Harmful drinking persists.** While there is positive news on the drink driving front, certain cultural perceptions about harmful drinking remain problematic and must be further addressed with new strategies and tactics.
- **Assessment of effectiveness.** Now that we have been informed by baseline research on people's perceptions of alcohol beverages and numerous alcohol-related programs in place, we need to support greater evaluation of these programs in Poland to gauge impact.

The Work and Results

In 2016, we launched a new overarching campaign to promote responsible drinking, expanded our outreach to combat underage drinking, and conducted additional complementary efforts.

A shift towards a comprehensive campaign: Responsible drinking

We launched the "[Alkohol. Zawsze odpowiedzialnie.](#)" ("Alcohol. Always responsibly.") campaign, announcing the effort at the June 2016 Spirits Industry Congress in Warsaw.



The program was developed in cooperation with the Association of Employers of the Polish Spirits Industry (ZP PPS) and partners from the private and public sectors. Its approach was based on the results of a pre-study campaign that examined Polish consumers' opinions and knowledge about alcohol beverages and consumption – including their attitudes about responsible drinking, their views of different types of beverages, and how they consumed alcohol. The study's results were published in the report "What Poles Don't Know About Alcohol" and indicated that most Polish nationals have low awareness levels about how much they consume and the consequences of harmful drinking. The results also demonstrated that many people in Poland have misperceptions about alcohol-related impairment.

"Alkohol. Zawsze Odpowiedzialnie." was a far-reaching campaign that included [Facebook](#) and [YouTube](#) promotions, outdoor billboards nationwide with the message "No matter the occasion – drink responsibly," and events held to deepen the impact of the initiative. At the annual Responsible Business Forum, we hosted a workshop where 500 visitors tested their knowledge about alcohol with a mini-quiz, watched educational videos, and talked with onsite health experts who participated in a panel discussion. We also held four training sessions for caterers and alcohol retail staff in the city of Gdynia in cooperation with the local city council.

In 2016, this campaign garnered more than 1.6 million media impressions, attracted more than 10,000 Facebook fans, and drew 72,000 unique users to the campaign website. Outdoor billboards reached approximately 840,000 people in Warsaw and 420,000 in areas outside the city. The initiative's flagship video "[5 Myths About Alcohol](#)," which was posted on the YouTube channel "Polimaty," was viewed 446,000 times. Formal third-party evaluation of the effort is scheduled for 2017.

Expanded outreach to underage youth

In support of Commitment 1, we partnered with the NGO [MONAR](#) to deliver the "Positive Learning Laboratory," an intervention to promote healthy lifestyles among young people and deter underage drinking. Other partners in this work included Poland's Foundation for Social Education (Fundacja Edukacji Społecznej - FES), Association of Professionals in Psychotherapy and Psychoeducation (Stowarzyszenie Profesjonalistów Psychoterapii i Psychoedukacji Wspólna"), and Charitable Society of Warsaw (Warszawskie Towarzystwo Dobroczynności - WTD).

The program was developed with the support of scientists and health experts to emphasize the importance of complying with the legal purchase age of 18 in Poland. It targeted 13- and 14-year-old junior high students and worked with their schools and teachers. Program coordinators conducted two-hour sessions with students using a combination of interactive tools, presentations, films, and team sessions to engage participants. The film [Domowka](#) ("House Party") was used to facilitate in-class discussion about underage drinking and its consequences. Two additional aspects of the program involved parents and teachers. Parents were provided information about alcohol responsibility, as well as tips and practical skills for communicating with teenagers about

not drinking alcohol beverages and other potentially sensitive topics. Teachers participated in a certificate program with a curriculum focused on preventing underage drinking and other risky behaviors.

An independent evaluation of a pilot version of the program conducted by Cardinal Stefan Wyszyński University in 2013 found that parents, teachers, and students reported changes in their attitudes towards harmful drinking. A formal evaluation of the 2016 program is currently underway.

Diageo supported this work with a promotional campaign to draw traffic to a microsite developed to help reduce underage drinking. The effort via Google, Facebook, and conventional media reached nearly 1.5 million people through more than 920,000 media impressions and more than 8,000 social media impressions, and attracted more than 565,000 website hits.

Additional 2016 Commitments work by our companies in Poland included:

Anti-drink driving campaigns. We implemented targeted initiatives such as the “[European Night Without Accident](#)” anti-drink driving campaign. The two-part initiative in October involved high-profile onsite activities at drinking venues as well as peer-to-peer communications. The awareness activities were led by volunteers encouraging club-goers to become designated drivers upon entry, offering them the opportunity for breath testing upon their exit, and rewarding those registering below the legal blood alcohol concentration (BAC) limit of 0.20 mg/ml. In addition, young people organized and facilitated group discussions with other young people about not drinking and driving.

Consumer information & responsible product innovation. We collaborated with the Association of Employers of the Polish Spirits Industry (ZP PPS) to launch a public information website with a URL that now appears on all of our signatories’ spirits labels in Poland. Overall, responsible drinking messages including the web address www.pijodpowiedzialnie.pl/, graphics, or both now appear on 82% of spirits products marketed in Poland by ZP PPS members (signatory and non-signatory companies).



Lessons: Insights Informing Our Efforts

Inroads on underage drinking must include influencers. Initial formal and anecdotal findings about the “Positive Learning Laboratory” point to the significance of adult influencers in efforts to reduce underage drinking. Our future efforts in Poland will include robust outreach to parents, teachers, and other adults who influence young people’s decisions about drinking.

Attitudes take time to shift. The “How Do Poles Perceive Alcohol?” findings explain that some Poles’ drinking patterns are rooted in concerning misperceptions about alcohol beverages. We are committed to working more with private and public sector experts and leaders to address the underlying causes of harmful drinking in Poland.

Consumer information is critical. Comprehensive outreach to address harmful drinking must include straightforward information to support consumers’ decision-making regarding their consumption of alcohol beverages. We are exploring ways to enhance this work moving forward, and to conduct outreach to share such information in innovative ways.

“I believe that it’s important to educate the society about harmful drinking and to organize comprehensive activities promoting a healthy life style. I applaud the initiative and hope they continue to draw high social interest.”

Professor and Physician Przemysław Jałowiecki

Rector of the Silesian Medical University, partner in the “Alcohol. Always responsibly” campaign

This work was led by seven of our signatory companies: Bacardi, Brown-Forman, Carlsberg, Diageo, HEINEKEN, Pernod Ricard, and SABMiller (now AB InBev). *For detailed metrics, see the KPI Review section of this report.*

SOUTH AFRICA

Highlights

- **Increased outreach and engagement to help reduce underage drinking.** We built new partnerships and implemented new approaches to communicate with young people about the problem of underage drinking, achieving broader levels of engagement than in previous years.
- **Stronger communication about Fetal Alcohol Spectrum Disorders (FASD).** In 2016, we substantially increased our targeted efforts to prevent FASD and communicate with South African women about the health risks associated with drinking during pregnancy.
- **Anti-drink driving efforts intensify.** We used a strategic combination of tactics to inform drivers, passengers, and pedestrians about the dangers of drink driving – while also training local police departments to support targeted enforcement efforts.

Challenges

- **High levels of alcohol consumption among underage populations.** Underage drinking remains a significant problem in South Africa and a strong multi-sectoral approach is vital to making further progress. In some instances, a lack of community and retailer support proved challenging.
- **Building more key stakeholder relationships.** In some cases, we still encounter resistance to partnerships at community or provincial levels or when approaching public health advocates. We continue to seek to find common ground with these individuals.
- **Fighting FASD.** Despite progress, there is much more work to do, especially at the local level. Initiatives that have proven to be successful need to be replicated nationwide.

The Work and Results

Much of our 2016 Commitments work in South Africa was coordinated through the [Industry Association for Responsible Alcohol Use \(ARA\)](#), a public benefit organization (PBO) dedicated to reducing harmful drinking and using targeted intervention to prevent alcohol-related harm. ARA is funded by beer, wine, and spirits producers, as well as a growing base of beverage alcohol distributors and retailers.

Collective action on significant issues

A key aspect our collaboration with ARA involved a partnership with the [Foundation for Alcohol-Related Research \(FARR\)](#). According to FARR, an NGO dedicated to reducing the



Commitments Spotlight

18+ Be the Mentor and You Decide campaigns

We marked continued engagement and results through the [18+ Be the Mentor](#) campaign against underage drinking. Launched by SABMiller (now AB InBev) in late 2014 in support of Commitment 1, the effort began with working adults between the ages of 23 and 30 years old in Johannesburg, Durban, and Cape Town. In 2016, the initiative's outreach included 80 adults who volunteered to mentor more than 180 youth.

The digital component of the program included a [Facebook outreach campaign](#) encouraging adults to take a [pledge](#) to #BeTheMentor and join in the effort to combat underage drinking in South African communities. More than 7,000 adults signed up to be a mentor to someone in their family or community during 2016. Overall, in 2016, 3,103 underage youth were reached through the program in face-to-face interactions. Social media outreach garnered more than 6.6 million impressions throughout the year.

SABMiller also implemented its '[You Decide](#)' campaign in partnership with the National Youth Development Agency (NYDA), the South African Depression and Anxiety Group (SADAG), the youth marketing agency Hot Dogz Incorporated, and the provincial departments of education in KwaZulu Natal, Mpumalanga, Free State, and Eastern Cape. The program engaged young people and their adult influencers through school events, rallies, festivals, and career expos, achieving a total of 4,050 face-to-face interactions with youth and 1,362 interactions with adult influencers. In addition, the effort engaged more than 87,000 individuals via social media.

frequency of Fetal Alcohol Spectrum Disorders (FASD) in South Africa, at least 3 million people in the country are thought to be affected by FASD – a rate several times higher than anywhere else in the world. Our efforts included an online FASD [public information campaign](#) that provided detailed information about signs and symptoms, diagnosis and long-term effects, and available resources and support.

In related work, HEINEKEN conducted a FASD community awareness campaign in Gauteng province. In addition, SABMiller (now AB InBev) partnered with FARR to expand its "Healthy Mother, Healthy Baby" program. This targeted initiative addressed the needs of pregnant women and those at risk of having a child with FASD. In 2016, pregnant women in local communities were invited to participate before 20 weeks' gestation so that they could have the opportunity to receive health and informational support during their pregnancies. These programs are predominantly implemented in small rural communities in at-risk provinces (Eastern Cape, Western Cape, Northern Cape provinces), and supported through public-private-civil society initiatives includes partnerships with communities and the Departments of Education, Social Development, and Health.

Multi-sectoral focus: Drink driving

2016 marked a significant year for our road safety initiative in South Africa. In a Memorandum of Understanding (MoU) signed between ARA and the signatory-supported [International Alliance for Responsible Drinking](#) (IARD), ARA agreed to develop and implement a comprehensive anti-drink driving framework which expanded on a 2015 project.

A highlight of our 2016 Commitments work was the Young Free Educated (YFE) initiative, which aims to reduce drink driving by young adults. The program was implemented in partnership with ARA, the Nelson Mandela Foundation, and the South African Union of Students. Accomplishments included YFE securing partnerships with two high-profile media outlets: [SABC Radio](#) and [The Sowetan](#) daily newspaper. YFE activities targeted young people between the ages of 18 and 25 years old enrolled in institutions of higher learning in up to 35 communities in the Western, North West, KZN, and Eastern Cape provinces. The program engaged students in face-to-face events, trained police officers to conduct roadside sobriety checks, and reached drivers through enforcement and educational roadblocks.

YFE's 2016 work included the "Let Life Thrive" campaign conducted during the Easter holidays. This campaign worked in partnership with The South African National Council on Alcoholism (SANCA), Arrive Alive, Alcohol Society South Africa (ASSA), and South African Police Services (SAPS). The initiative distributed disposable breathalyzers and 3,000 anti-drink driving pamphlets through taxi companies, fuel stations, and toll plazas. A preliminary report released by the Minister of Transport indicated that there were 156 road traffic crash deaths during the Easter period in 2016, compared to 287 during the same period in 2015. According to the Road Traffic Management Corporation (RTMC), the main causes of the fatal crashes were fatigue, drink driving, reckless driving, and pedestrian-involved accidents.

In another push to support Commitment 4 results, Pernod Ricard expanded its "[Safe Roads 4 Youth](#)" (SR4Y) program. SR4Y – also implemented in Argentina and Vietnam – promotes responsible drinking messages through community-based programs created by young people. In 2016, the programs engaged a broader range of stakeholders including high schools, universities, businesses, taxi drivers, the media, police, hospitals, bars, workers' unions, and youth associations.

Additional targeted efforts: Responsible retailing and marketing codes of practice

Responsible Retailing

Our [Guiding Principles for Responsible Retailing](#) have strong roots in the region and were launched at the 2015 World Retail Congress in South Africa with participation from alcohol producers and retailers including Massmart, the South African Liquor Traders Association (SALTA), South African Liquor Brand Owners Association (SALBA), ARA, and SABMiller (now AB InBev).

In support of these Guiding Principles and Commitment 5, ARA continued to deliver our Taverners' Imbizos program. Conducted in partnership with the South African Leisure



Tourism and Hospitality Association (SALTHA), the initiative promoted social responsibility among licensed alcohol retailers by educating them on alcohol laws and the negative consequences of harmful drinking. Under the theme “Nshebele Ke’o Shebele” (Sesotho for “Look out for me and I will look out for you”), tavern owners were encouraged to prioritize responsible retailing over profit – with an emphasis on combatting underage drinking, drink driving, and FASD. These efforts reinforced the retailer practices detailed in our [Compendium of Best Practices for Responsible Retailing](#).

Marketing Codes Of Practice

ARA members agreed to expand marketing codes of practice. Each of our member companies abides by a [Code of Commercial Conduct](#) that provides a process for complaints to be submitted through a toll-free telephone line, and is then ruled upon by an ARA-appointed independent arbitrator. In 2016, we agreed to review the Code and consider options for improving and expanding the self-regulatory system in South Africa.

Unique to South Africa: Project Pandeia

ARA partnered with [Themba Interactive](#) to launch “Project Pandeia,” a program that conducted theater-based discussion interventions in 25 secondary schools in the eastern South African province of Mpumalanga. The initiative reached nearly 11,000 students face-to-face in 2016, and succeeded in training 136 peer educators at participating schools.

Post-workshop surveys conducted with students and peer educators found that students reported:

- a new level of awareness about the importance of refraining from drinking underage
- a better understanding of alcohol consumption, and what constitutes harmful drinking
- an understanding of the broader link to decision-making skills and healthy life choices in general

From time to time, program organizers encountered educator apathy, a lack of parental support, and communities where there was a high density of taverns, including venues that illegally served underage youth.

Lessons: Insights Informing Our Efforts

Working together in an integrated way is powerful. Some of the most significant strides made in 2016 were through our work with ARA. These were robust efforts in collaboration with beer, wine, and spirits producers alongside retailers, distributors, and smaller non-signatory alcohol producers – as well as government, community, private sector, and NGO partners.

Strong progress requires strong collaboration. Greatest progress is seen where diverse sets of stakeholders come together, putting aside any previously-held hesitations. Challenges in South Africa will only be overcome with greater levels of partnership, including collaboration with national ministries and public health advocates.

Data and evaluation are essential. As we implement initiatives at the grass roots level in South Africa, more can be done to ensure reliable data collection so that outcomes and impact of initiatives can be better measured.

“No single action is likely to reduce harmful drinking, but rather a mix of self-regulation, the enforcement of existing laws governing sale and consumption, and targeted interventions like the ones that SA Breweries has initiated – combined with individuals taking personal responsibility for their drinking choices.”

Mbali Myen

Chairperson of the KwaZulu-Natal Liquor Board

These efforts were carried out by our companies Diageo, HEINEKEN, Pernod Ricard, and SABMiller (AB InBev as of October 2016). *For detailed metrics, see the KPI Review section of this report.*

Highlights

- **Accelerated expansion of anti-drink driving initiatives.** Our coalition of private and public sector partners working to reduce drink driving reached new heights in 2016.
- **Synergies among Commitments efforts.** As our partnerships expanded, we employed new tactics to address multiple Commitments simultaneously, delivering integrated and multi-platform programs.
- **Focus on influencers in fight against underage drinking.** We used government data about underage drinking and worked with experts to develop compelling messages and educational information for parents, teachers, and other adult influencers.

Challenges

- **Progress in reducing drink driving must continue.** According to government statistics, drink driving rates have decreased significantly from a decade ago, but are now increasing. There can be no complacency and all stakeholders must continue to dedicate themselves to reduce drink driving.
- **Underage drinking remains a top concern.** National government statistics about underage drinking emphasize the need to work with partners to devise new approaches to reducing underage drinking.
- **The retailer audience is vast and changing.** Because alcohol beverages may be sold by a wide variety of licensed retailers, from large supermarkets to gas stations and family-owned small businesses, effectively engaging retailers requires constant outreach to management and staff.

The Work and Results

Our 2016 efforts to implement the Commitments in Spain focused on reducing underage drinking, providing consumer information and responsible product information, reducing drink driving, and engaging retailers. Much of this work was carried out in collaboration with [Cerveceros de España](#) (Brewers Association of Spain) and [La Federación Española de Bebidas Espirituosas](#) (FEBE) (Spanish Federation of Spirits Producers). Members of Cerveceros de España include HEINEKEN and Compañía Cervecería de Canarias – CCC (now AB InBev). Members of La Federación Española de Bebidas Espirituosas (FEBE) include Bacardi, Beam Suntory, Diageo, and Pernod Ricard.

New tactics: The fight against drink driving expands

The anti-drink driving campaign "[La carretera te pide SIN](#)" ("Don't drink and drive") deepened its impact in 2016 with award-winning outreach and messaging. Our multi-sectoral network expanded to 15 partners over the course of the year, expanding the program's reach through a growing [Facebook](#) following and increasing web traffic to [lacarreteratepidesin.org](#). The [multi-platform initiative](#) also built on its message of "Don't drink and drive" by adding the guidance, "[En la carretera, cerveza SIN](#)" ("If you're going to drive and want a beer, make it alcohol-free").

"La carretera te pide SIN" deployed campaign ambassadors to bars and restaurants across the country to communicate the initiative's responsible drinking message. In addition, Cerveceros de España distributed posters in service stations, driving schools, and petrol stations, displayed outdoor billboards at city entrances and exits, placed advertisements in both conventional and social media, and distributed educational postcards.

"La carretera te pide SIN's" network of allies expanded in 2016 to include:

- Directorate General of Traffic/Dirección General de Tráfico (DGT)
- National Confederation of Driving Schools/Confederación Nacional de Autoescuelas (CNAE)
- Spanish Association of Users of Petroleum Products/Asociación Española de Operadores de Productos Petrolíferos (AOP)
- Royal Automobile Club of Spain/Real Automóvil Club de España (RACE)
- Royal Automobile Club of Catalonia/RACC Automóvil Club
- Spanish Road Association/Asociación Española de la Carretera (AEC)
- Motorist Assistance/Ayuda del Automovilista (ADA)
- Technological Institute Foundation for Motor Vehicle Safety/Fundación Instituto Tecnológico para la Seguridad del Automóvil (FITSA)
- European Automobile Commission/Comisariado Europeo del Automóvil (CEA)
- Stop Accidentes
- Rotary International
- Spanish Road Safety Foundation/Fundación Española para la Seguridad Vial (FESVIAL)
- Spanish Hospitality Industry Federation/Federación Española de Hostelería (FEHR)
- National Federation of Spinal Cord Injuries and Major Physical Handicaps/Asociación de Lesionados Medulares y Grandes Discapacitados Físicos (ASPAYM)
- Madrilenian Mutual Foundation and the Association for the Study of Spinal Cord Injury/Asociación para el Estudio de la Lesión Medular Espinal (AESLEME)



In a complementary effort and in collaboration with FEBE, we expanded the footprint of the *Los Nocturnos* designated driver campaign. The program was implemented in partnership with the Congress of Deputies and the Directorate General of Traffic (DGT) to raise awareness about the dangers of drink driving and the importance of regularly identifying a designated driver for social outings. The campaign targeting young adults reached 500 individuals through onsite promotions in 2016 and generated more than 1,400 online and social media impressions.

Enlisting new allies: A focus on parents and other influencers in the fight against underage drinking

According to Spain's Ministry of Health, approximately 80% of 14 to 18 year-olds have consumed an alcohol beverage at least once, and the national average age of first consumption is 13.9 years old. With these statistics in mind, our work in support of Commitment 1 focused on two audiences: (1) parents of children younger than 13 years old; and (2) 12 to 18 year-old youth and their teachers and parents.

Children Between Six And 13 Years Old

We worked with members of Cerveceros de España and private and public sector partners to promote a "[Guide for Parents](#)", developed in cooperation with the University of Valencia and the Ministry of Agriculture, Fishing, and Food (MAPAMA). The social awareness initiative's main objective was to inform parents with children between six and 13-years old about the best way to establish a dialogue about alcohol consumption. The guide encourages parents "not to worry about it but to deal with it," providing practical recommendations about helping young people to make healthy decisions about alcohol beverages when they reach the legal purchase age of 18 years old.

Children Between 12 And 18 Years Old

In 2016, we supported the implementation of "Adolescencia Y Alcohol" in secondary schools across Spain. This outreach to 12 to 18 year-olds with specially-trained instructors emphasized the importance of not drinking underage. The campaign was developed and implemented by the spirits industry-supported social aspects organization Foundation of Alcohol and Society (FAS) in partnership with the Ministry of Education (MECD). There was additional collaboration from the University of Barcelona's Bosch i Gimpera Foundation (Fundación Bosch i Guimpera - FBG), and the municipalities of Catalonia, Madrid, and Andalusia. The campaign aimed to delay the age of initial consumption to the legal purchase age of 18 years old, thereby reducing the overall number of underage drinkers.

In 2016, "Adolescencia Y Alcohol" seminars for underage youth and adult influencers were delivered in 839 schools and directly involved more than 110,000 students and 2,000 adult influencers. A longitudinal study of the program by Deusto University (Institute of Drug Dependency) is currently underway.

“Minors not a single drop” (Menores ni una gota) and “Connected Cities”

In 2016, FEBE relaunched the “[Minors not a single drop](#)” campaign in partnership with the Ministry of Health. The objectives of the campaign were to inform and raise awareness of the risks associated with underage drinking with the aim of delaying the age of drinking, changing perceptions about underage drinking, and helping parents set clear rules against underage drinking.

We also expanded the “Connected Cities” campaign based on our “Minors not a single drop” guide and related materials. Over the course of 2016, we held 17 town halls featuring this content, engaging 974,000 people – including 16,000 underage youth. In addition, a total of 1,050 families participated in seven workshops presented in collaboration with Rocío Ramos Paúl, author of the “Minors not a single drop” guide. There were 29,000 hits recorded in traffic to our related [website](#) in 2016, resulting in more than 7,200 guide downloads.



Commitments Spotlight Responsible Retailing

Developed in support of Commitment 5 as well as Commitments 1 and 4, the Tú Sirves, Tú Decides (“You Serve, You Decide”) program is a responsible retailing training course for retail staff and hospitality professionals. Its 2016 training curriculum focused on alcohol education and awareness and provided practical tips to help encourage responsible drinking by implementing age verification, practicing responsible serving, and discouraging drink driving.

The coursework was designed and delivered by FEBE in collaboration with health professionals and retail and hospitality training associations. The initiative directly involved 737 retail and hospitality professionals who graduated from the program in 2016.

Strides with consumer information and product innovations

In our work to deliver on Commitment 3, we have been placing greater emphasis on the development and promotion of no- and low-alcohol beverages. For example, in 2016, HEINEKEN launched the beverage Cruzcampo 0.0, a 0% alcohol version of its Cruzcampo beer in Spain, while CCC continued to promote versions of its Dorada Sin no-alcohol beer.

Recent no- and low-alcohol product introductions stem from our companies’ investments in the research and development of these beverages. Leading up to 2016, we began working with consumers and other stakeholders to produce a wider range of no- and



low-alcohol options. This is particularly relevant in Spain, where the demand for such beverages is growing. According to Cerveceros de España, Spain now ranks 1st for consumption of no-alcohol beer in Europe.

Also in support of Commitment 3, Cerveceros de España implemented a social awareness campaign "[An inch of head, two miles of thought.](#)" The initiative was developed in collaboration with the Ministries of Agriculture and Education, the Consumer's Union of Spain (Unión de Consumidores – UCE), and the Spanish Confederation of Consumers and Users (Confederación de Consumidores y Usuarios - CECU). It emphasized the importance of responsible drinking, especially among young adults between the ages of 18 and 25 years old. Participants developed their own original campaign materials such as digital videos, thus becoming responsible drinking ambassadors themselves. In 2016, campaign videos were screened in movie theaters throughout the country and campaign postcards were distributed in movie theaters, bars, and nightclubs. In addition, a consumer information [website](#) managed by Cerveceros de España, which focuses on responsible drinking, drew 103,112 unique visitors in 2016.

Lessons: Insights Informing Our Efforts

Programs focused on influencers must remain a priority. Addressing underage drinking with lasting impact requires a multi-faceted approach. A significant aspect of this work is about raising awareness among parents, teachers, and other adult influencers.

Responsible retailing efforts must continue. While we have made progress, it will be important to make greater and repeated outreach with retailers of all different sizes throughout Spain. Anecdotal evidence shows that retailers can become enthusiastic allies once they grasp the magnitude of their role in the fight against harmful drinking.

New initiatives show promise. Spain's award-winning anti-drink driving work in 2016 involved a new approach and demonstrated the way in which synergies between the different Commitments should be leveraged.

Our member companies who delivered this work in Spain were Bacardi, Beam Suntory, Diageo, HEINEKEN, Pernod Ricard, and SABMiller (now AB InBev). *For detailed metrics, see the KPI Review section of this report.*

Highlights

- **Landmark MoU serves as catalyst.** We signed a 2016 Memorandum of Understanding (MoU) with the Ministry of Health's National Center for Health Education and Communication (NCHCEC), to work in partnership with the government to address several key Commitments areas.
- **New "Secret Shopper" campaign launched.** Introducing an approach established as best practice in the U.S. and other countries, we partnered with a leading customer engagement firm to design and implement a program to test the effectiveness of an expanded retailer age verification initiative.
- **Strengthened road safety partnership.** Implemented in partnership with the National Traffic Safety Committee (NTSC), the initiative engaged police departments at the provincial level, launched high-profile roadside breath testing initiatives, and produced an international award-winning road safety film.

Challenges

- **Marketplace culture.** A recent national decree stipulates that youth younger than 18 years old should not have access to alcohol beverages but in order to have an impact there will need to be a shift in retailer perspectives and broader cultural attitudes.
- **Greater levels of public-private collaboration needed.** Our Commitments-related efforts are consistently meeting with greater success when there is multi-sectoral collaboration, as demonstrated with the expansion of our campaigns focused on preventing drink driving and underage drinking.
- **More progress can be achieved with self-regulation.** We are working to align and strengthen our self-regulatory marketing codes, as government implements advertising law reforms.

The Work and Results

Our 2016 Commitments work in Vietnam was marked by stronger private-public partnership, greater focus on deterring underage drinking, and expanded road safety initiatives.



Strengthened collaboration to combat harmful drinking

In 2016, the Ministry of Health's National Center for Health Education and Communication (NCHCEC) signed a Memorandum of Understanding (MoU) with our wine and spirits member companies in Vietnam. We collectively agreed to support and implement stronger public education addressing the importance of drinking responsibly, as well as targeted efforts to address underage drinking and drink driving.

A broad scope of work resulted from the MoU as we partnered with the Vietnam Beer Alcohol Association (VBA) and the spirits industry's social aspects organization, the Vietnam Association for Responsible Drinking (VARD). Working with VARD, we designed and organized a "Train the Trainer" conference for leaders from eight private and public partners. Organized in concert with the Ministry of Health's National Center for Health Education and Communication (NCHCEC), the three-day summit included communications leaders in sectors ranging from health and education to media, government, and organized labor. In a post-training survey, more than 90% of communications professionals graduating from the program stated that their understanding of harmful drinking and related issues rose from a level of "low" or "medium" to "high" following the workshop.

The event focused on responsible drinking practices, the importance of public and private dialogue about responsible drinking, and activities that can help reduce harmful drinking. After the training, participants began planning 2017 sessions in which they would share the workshop's principles and practices with peers. A notable aspect of this work is the collaboration with non-signatory alcohol producers. We continue to welcome stakeholders to the table and encourage all beer, wine, and spirits producers to devote time and resources to these efforts.

VARD Train the Trainer Partners:

Hanoi Preventative Health Center
Hanoi Red Cross
Hanoi Women's Union
Vietnam Ministry of Industry and Trade (MOIT)
JoyFM radio
VBA Magazine
Public Health University
National Center for Health Education and Communication (NCHCEC)

Taking on historic challenges in new ways: Underage drinking

Underage drinking is a critical issue referenced in the MoU. While it is not law in Vietnam, the Prime Minister's Decree No. 94, issued in 2012, stipulates that the legal purchase age (LPA) for wine and spirits is 18 years old (beer is excluded). We face a unique challenge on the underage drinking front in Vietnam because there are no legal sanctions in place for licensed retailers and venues that do not comply with the Decree. In addition, there are positive blood alcohol concentration (BAC) levels found in 15% of Vietnam's road traffic crash victims younger than 18 years old, according to WHO statistics.

To address this challenge, we worked with VARD to implement initiatives that encompass Commitment 1 to reduce underage drinking, Commitment 4 to reduce drink driving, and Commitment 5 to engage retailers in efforts to reduce harmful drinking. As the government of Vietnam makes progress to implement the 2014 National Assembly endorsed alcohol policy, VBA and our member companies continue to engage with government agencies and support key initiatives.

Age Verification

We partnered with Vietnam's National Traffic Safety Committee (NTSC) to develop and implement the "[Don't Sell to Under 18](#)" nationwide age verification campaign. Our launch event was broadcast live on Da Nang Radio, Television Da Nang, and Vietnam television channel VTV8 and included representatives from our member companies, public transportation officials, and private sector stakeholders outside of the alcohol industry. Signage featuring the campaign's "Drink-Don't Drive" logo was placed on more than 120 buses and 1,000 taxis in Da Nang.

The campaign aimed to engage 300 shops in locations nationwide, including Thanh Hoa, Vung Tau, Dong Nai, Quang Nam, Hue, Can Tho, and An Giang – with added emphasis on Da Nang, Ho Chi Minh City, and Hanoi. In its first six months, the program succeeded in engaging 164 retailers. According to campaign criteria, "engagement" was defined as a retailer signing a formal, voluntary commitment to display 18+ signage and consistently verify that customers are 18 years old or older. This was the first time that such an approach had been implemented on a broad scale in Vietnam. Each of VARD's member companies deployed members of their sales staff meet to wine and spirits retailers of all sizes in local provinces. At these meetings, sales representatives explained the Commitments, our [Guiding Principles for Responsible Retailing](#), and the imperative to reduce alcohol-related road traffic crashes, including those involving underage drivers.

While a formal evaluation will be conducted at a later date, anecdotal feedback suggests significant advantages of salespeople acting as Commitment ambassadors, given their already trusted status with retailers. In addition, having the NTSC as a partner helped to significantly amplify the message of the campaign nationwide.

Secret Shopper Program

VARD staff worked with Hoa Sao Group customer service professionals to design a "Secret Shopper" campaign to test the effectiveness of their "Don't Sell to Under 18" efforts. The partners established a process for Hoa Sao to train designated shoppers, developed



criteria for shoppers' store interactions, compiled a list of retailers to be visited, and built a report template to be completed for each store tested.

The program relied, in part, on our companies' staff volunteers to roll out the program. While the process of designing the program was successful, results recorded between October and December 2016 indicated that there is still much to do. According to initial data, 45% of retailers displayed the 18+ logo and 17% followed age verification procedures. VARD identified two key challenges in this work: (1) many of the retail outlet owners and managers who signed commitments are not regularly on duty at stores; and (2) age verification processes are new to Vietnamese culture. Local leaders suggested that it would take time for age verification to be embraced voluntarily by retailers without threat of penalty. Moving forward, campaign organizers will seek funding to offer incentive-based "rewards" to retailers that demonstrate compliance.

Secret Shopper: How It Works

1. Hoa Sao trains shoppers
2. Shoppers:
 - appear to be younger than 18 years old and wear a high school uniform
 - attempt to purchase wine or distilled spirits
 - follow a rehearsed script and mention being a student
 - make an audio recording of the interaction
 - make note of whether 18+ signage is displayed
3. Hoa Sao files the shopper's report

Locally-owned road safety work expands in award-winning effort

Another important 2016 initiative was the expansion of anti-drink driving activities nationwide. Implemented in partnership with the National Traffic Safety Committee (NTSC), the campaign engaged provincial police departments and launched high-profile roadside breath testing initiatives. We donated breath-testing equipment and supported training sessions at the provincial level to ensure that law enforcement officers were qualified to use and maintain the equipment.

A short film about the dangers of drinking and driving was also developed. Produced in partnership with VARD and NTSC, "[Sprout Under Bottles](#)" tells the story of a child working in a pub who nurtures a sprout as a symbol of hope in his life, but becomes a tragic victim of a drink driving crash. The project won the Best Film award in the Drink Driving category at the Global Road Safety Film Festival hosted in early 2017 by the United Nations Economic Commission for Europe (UNECE).

“ *The signatory companies have been communicating the importance of responsible drinking at greater levels than we have seen before. We look forward to this continued focus on education and awareness.* ”

Dr. Nguyen Van Viet
Chairman, Vietnam Association for Beer-Alcohol-Beverage and Vietnam Association for Responsible Drinking (VARD)

These efforts reflect the commitment of stakeholders in Vietnam to support and lead a program that was previously a global initiative coordinated by the [International Alliance for Responsible Drinking](#) (IARD). Not only has the program proved sustainable but it has also broadened its outreach and collaboration with partners at the local and national levels.

Lessons: Insights Informing Our Efforts

Public sector partners can significantly amplify voice. The strides made in reducing drink driving and underage drinking would not have been possible without the MoU and our collaboration with NTSC. The organization’s profile and partnership proved invaluable in heightening the prominence of the campaign.

An inclusive approach is proving effective. Working alongside non-signatory alcohol producers in Vietnam is making an impact, and highlights the importance of inclusiveness in the fight against harmful drinking.

Innovations are making a difference. Innovation was a hallmark of our 2016 work in Vietnam. Programs such as the “Secret Shopper” campaign are new to the region and borrow from best practices in countries with widely-enforced alcohol regulations. The road safety film developed in collaboration with the NTSC is another example of our member companies and partners stepping outside of the status quo to help reduce harmful drinking.

These efforts were carried out individually and collectively by our companies in Vietnam: Carlsberg, Diageo, HEINEKEN, Pernod Ricard, and SABMiller (now AB InBev). For detailed metrics, see the KPI Review section of this report.

KEY PERFORMANCE INDICATORS REVIEW

Each of the five Commitments has been broken down into a series of key performance indicators (KPIs) which, when combined, demonstrate how each Commitment is measured. This section reports in detail on each KPI, presenting performance in aggregate. The KPIs have a specific set of actions for signatory participation.

Our KPIs were initially developed with advice from Accenture Strategy. As in earlier years of the Commitments, we reviewed the KPIs in 2016 to build in improvements based on the prior year's milestones.

The data acquisition process was supported by Accenture Strategy. A summary of all the performance indicators, including definitions and scope of coverage, is available at the following web address: ProducersCommitments.org.

We engaged KPMG Sustainability to review this report and provide limited assurance as outlined in their assurance report on page 65. The following indicators are included in the assurance report scope: 1a, 1b, 2a, 2b, 2c, 3b, 6a, 9a, 9b, and 10c. We will continue to seek expanding the scope of assurance in future reports.

2016 Priorities and Progress



Commitment 1 Reducing underage drinking

Action 1: Strengthening Legal Purchase Age (LPA) Regulations

"Recognizing that our efforts alone will not be sufficient, we commit to actively seek enforcement of government regulation of underage purchase and consumption in all countries where we are commercially active and where a minimum purchase and / or consumption level has been set. In countries where no such limits exist, we will (either alone or with others who share this objective) encourage governments to introduce a legal purchase age and enforce it."

A full list of LPA regulations by country can be found on the IARD website at iard.org/policy-tables/minimum-legal-age-limits.

KPI 1a: Percentage of legal purchase age (LPA) regulations introduced where none previously existed, in countries where sale is legal or permitted.

As of January 2016, LPA regulations were not in place in the following 11 countries: Bangladesh, Cambodia, the Democratic Peoples' Republic of Korea, the Democratic Republic of Timor-Leste, Djibouti, Guinea-Bissau, Haiti, Sao Tome and Principe, Sierra Leone, South Sudan, and Togo. While Comoros appeared on this list in our 2015 report, we

have since confirmed that it has an LPA regulation in place. In 2016, three of our 11 signatory companies reported commercial activity in four of these 11 countries. LPA regulations were not introduced in any of these countries in 2016. As Cambodia, Haiti, Sierra Leone, and South Sudan are the only countries without LPA regulations in place where at least one of our signatory companies is commercially active, these countries are now primary targets for introducing LPA regulations. LPA laws have been adopted in 18% of the countries which we identified in 2013 as not having such limits.

KPI 1b: Number of engagements in support of newly introduced and existing LPA regulations, e.g. government meetings, industry roundtables, and retail partnerships for age verification.

In 2016, our 11 signatories reported a total of 228,836 engagements. This is a decline from over 1 million in 2015. One signatory reported 79% fewer engagements, from over 943,000 in 2015 to 197,000 in 2016, accounting for the majority of the overall decline. The median number of engagements per signatories in 2016 was 13,587, a 37% increase over 2015; six signatories reported significant percentage increases in the number of engagements over 2015 figures.

Action 2: Underage Educational Initiatives

"We commit to strengthening our work with other interested stakeholders, including NGOs and inter-governmental organizations (IGOs), to develop, promote, and disseminate educational materials and programs designed to prevent and reduce underage purchase and consumption, which address either young people themselves or those known to have a strong influence over their behavior. This will include consulting experts on the development of best practice educational materials for use by parents, schools, community groups, and in social media."

KPI 2a: Number of education programs and number of countries in which the education programs are operating, resulting from signatories' work with NGOs, IGOs, and other interested stakeholders.

We conducted 236 education programs in 2016, compared to 257 in 2015. Our 11 signatory companies reported an average of 40 education programs each in 2016, compared to 38 in 2015. The number of signatories who reported operating 45 or more programs increased from three in 2015 to six in 2016. There were 84 education programs reporting robust reach (meaning two-way interaction with target recipients), indicating a 27% increase from 2015. Both robust and less robust reach were reported by 91 programs, a 40% increase from 2015. We reduced the number of programs reporting less robust reach to 61, a 52% improvement.

The number of programs reported by SAOs and trade associations increased from 62 in 2015 (24% of total programs) to 75 (32% of total programs). These numbers represent a shift towards more programs supported by SAOs and trade associations.

In 2016, we coordinated education programs in 73 countries, compared to 85 in 2015. This 14% gap was largely attributed to the discontinuation of an online program supported by one signatory company which was accessed from 58 countries in 2015. Eight of our signatory companies reported an increase in the number of countries where programs were conducted, at an average of four additional programs per company.

KPI 2b: Number of underage individuals collectively reached with education programs resulting from signatories' work with NGOs, IGOs, and other interested stakeholders.

In 2016, the number of underage individuals collectively reached by education programs resulting from our work with NGOs, IGOs, and other interested stakeholders grew to over 10.74 million, indicating a 10% increase since 2015. Eight of our companies achieved the milestone of reaching more than

1 million underage individuals through these programs, two more companies than in 2015.

Higher year-over-year numbers of underage individuals were reached in Europe, Russia, and South and Central America.

- The largest increase was recorded in Russia, where one signatory's newly-reported program reached 46,000 underage individuals.
- More than 3 million underage individuals were reached across Europe in 2016, an increase from more than 337,000 in 2015.

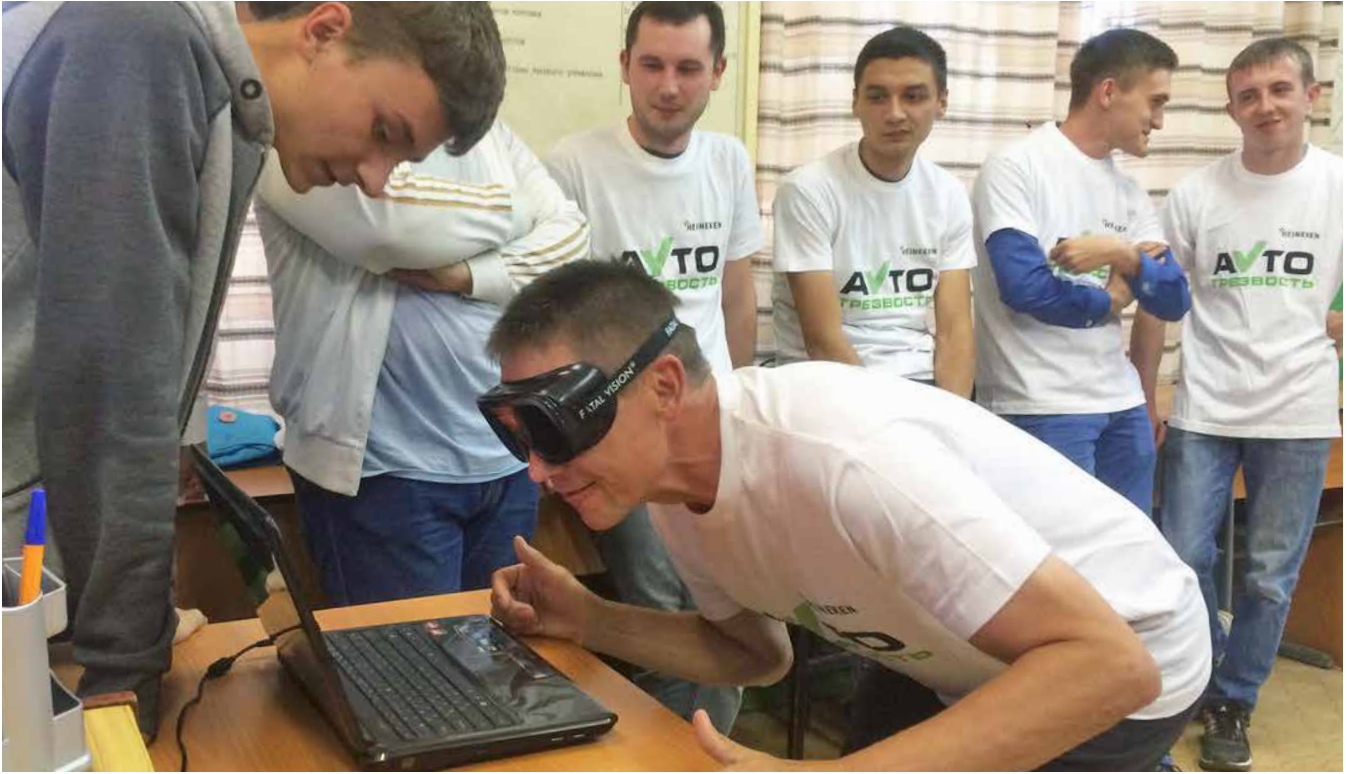
Examining the types of interactions generated by our education programs, 44% of underage individuals were reached through face-to-face interactions, up from 19% in 2015. All 11 signatories reported reaching underage individuals with education programs via face-to-face interactions in 2016.

Age-gated websites were the second-most used channel with 35% of the reach, followed by social media (11%) and hard-copy media (10%).

KPI 2c: Number of influencers (parents, teachers, other adults, community leaders) collectively reached with education programs and materials resulting from signatories' work with NGOs, IGOs, and other interested stakeholders.

In 2016, 9.6 million influencers were reached with education programs and materials resulting from our work with NGOs, IGOs, and other interested stakeholders. These figures reflect a 67% decrease compared to the 2015 figures, largely as a result of two factors: one 2015 program with significant reach was discontinued prior to 2016, and one SAO/trade association program in North America reporting lower reach in 2016 than in the previous year. Four of our 11 companies reported increases in the number of influencers reached, at an average of slightly over 1 million per company. A higher number of influencers were reached in three regions in 2016: Russia, Asia, and Australasia. The largest increase was in Asia, where the number of influencers increased from 66,255 in 2015 to nearly 290,000 in 2016.

Social media was our most widely used platform in reaching influencers with education programs across all regions in 2016, with 53% of influencers reached through this channel. Aligned with this statistic, five of our 11 signatory companies reported that over 50% of influencers were reached with education programs via social media. In South and Central America, over 97% of influencers were reached via social media.



Our second-most used channel for reaching influencers with education programs was face-to-face interaction (23%), followed by hard-copy media (20%) and age-gated websites (4%).

KPI 2d: Number of unidentified persons collectively reached with education programs and materials resulting from signatories' work with NGOs, IGOs, and other interested stakeholders.

In 2016, the total number of unidentified persons collectively reached with these programs was 95 million, compared with 192.5 million in 2015. Nine signatories reported increases with the overall average number of unidentified persons reached by signatories increasing by 82%. The improvements in results can largely be attributed to two SAO/trade association programs supported by multiple signatories - one newly reported in 2016 and one increasing its reach nearly ten-fold over 2015. Two signatories reported declines, in one case from over 164 million reported in 2015 to 29 million in 2016.

We observed growth in the number of unidentified persons reached in four regions: Africa, Europe, North America, and Russia. The largest increase was in Europe where we increased our reach from more than 6.5 million in 2015 to nearly 42 million in 2016. The largest year-on-year gap was in Asia where the number of unidentified persons reach declined from more than 134 million in 2015 to 8.7 million in 2016, driven largely by one signatory program ceasing to operate in China in 2016.

Media impressions remained our most widely used channel to reach unidentified persons with education programs across all regions in 2016 (70%), followed by social media (23%). The highest percentage of unidentified persons reached by media impressions was in Europe (84%). The second-highest percentage was reported in North America (79%) – a significant change from 2015 when 29% of unidentified persons were reached through this channel and 70% were reached via social media.



Commitment 2

Strengthening and expanding marketing codes of practice

We are mindful that society expects our marketing communications to be legal, truthful, honest, and consistent with prevailing cultural standards of good taste and social responsibility, and that we target our marketing to adults of legal drinking age. The company and industry self-regulatory codes are designed to uphold these societal expectations in addition to our own standards and the promotion of safe and responsible drinking as part of a balanced lifestyle.

We support marketing codes of practice and self-regulation systems where they exist, and work to introduce them in countries where they do not. Codes of practice not only ensure high standards across many markets, but they also offer industry guidance in the absence of government regulation. We believe industry self-regulation is essential everywhere to promote social responsibility and to protect our business. It is crucial in countries where there is weak government regulation or limited resources for creating and enforcing it.

Our self-regulatory codes are intended to be rigorous, exacting, and adaptable in order to reflect the different cultures, social attitudes, and regulatory frameworks in more than 100 different countries where we are commercially active. However, there is always room for improvement, and we will continue to strengthen our codes to prohibit marketing that primarily appeals to underage youth or promotes our products in ways that encourage excessive or otherwise irresponsible consumption, promptly addressing any violations.

By including compliance with our marketing codes as part of our advertising agency contracts, we help to ensure that our codes have real authority and convey how seriously we take this issue.

Action 3: Ensuring that adults make up at least 70% of our advertising audience

"We commit to take independently verifiable measures (using reasonably available data) so that print, electronic, broadcast, and digital media in which we advertise our products have a minimum 70% adult audience."

KPI 3a: Collective percentage of compliant impressions across print, broadcast, and digital resulting from signatories' advertising, or adherence to no-buy-list, based on the best available data, as measured by an independent agency.

In 2016, IARD and the signatories initiated a process for monitoring compliance in digital media with the collaboration of the World Federation of Advertisers (WFA) and Ebiquity, an independent media monitoring agency. This effort covers

markets in which audience composition can be validated at site-level against an independent digital audience measurement panel. Seventeen countries – Argentina, Australia, Brazil, Canada, Denmark, France, Germany, Italy, Ireland, Japan, Mexico, the Philippines, Poland, South Africa, Spain, the United Kingdom, and Vietnam – are involved in the assessment. The results will be published in the 2017 Progress Report and online once available.

KPI 3b: Number of countries in which actions of signatories result in data being made newly available on the collective percentage of compliant impressions across print, broadcast, and digital, resulting from the signatories' advertising.

The 17 countries in which data was made newly available during 2016 accounted for 15% of the total number of countries in which the signatories were commercially active worldwide. Ebiquity is conducting a review of the signatories' digital marketing activity by measuring how well they are performing against the stated aim of targeting and reaching audiences comprising of at least 70% viewers who are of legal purchase age (LPA).

Action 4: Developing digital marketing guidelines

"We commit to developing, during 2013, a set of global guiding principles for alcohol beverage marketing in digital media that will require the content of any online marketing to meet the same high standards that apply to our traditional marketing activities. With respect to digital "social media sites" where we are engaged in direct interaction with consumers, we also commit to put in place, where possible, controls to limit underage access and operate a consumer age affirmation mechanism. We will invite relevant social media providers to work with us to achieve this."

KPI 4a: Digital Guiding Principles (DGPs) published.

In September 2014, the DGPs were published and the KPI achieved, thus no additional data has been collected and the KPI is outside of the scope of reporting for 2016.

There are seven principles across four key areas:

- MINORS (Age-affirmation mechanism / Placement of alcohol beverage marketing communications)
- RESPONSIBLE CONSUMPTION (Forwardable content and content sharing / The responsible drinking message / User-generated content)

- TRANSPARENCY (Clarity about digital marketing communications' commercial purpose)
- PRIVACY (Respect user privacy)

KPI 4b: Percentage of signatories complying with the DGPs within all countries in which they are commercially active.

In 2016, IARD and the signatories initiated a pilot process for monitoring compliance of the DGPs on official brand websites, social media platforms, and smartphone applications which are under the direct control of the signatory or brand owner. In collaboration with the World Federation of Advertisers (WFA) and the European Advertising Standards Alliance (EASA), a list of 20 countries (10 EU and 10 non-EU) were selected for data collection based on digital ad spend. Because the diversity of language and expertise of advertising regulations, an independent self-regulatory organization (SRO) at national level conducted the analysis of the brand controlled sites and social media platforms in their home country.

EASA randomly selected 14 countries for analysis: Australia, Canada, Chile, Colombia, France, Germany, Hungary, Italy, Japan, Mexico, the Netherlands, South Africa, Spain, and the United Kingdom. Additionally, among all the brands listed by each company, each independent SROs will randomly choose more than 150 brands profiles per country for monitoring for the application of the relevant DGPs. This pilot exercise will cover data collected between January and March 2017, and will be completed before the end of 2017 and reported in the 2017 Progress Report and online.

The DGPs are reviewed periodically so as to reflect the developments in digital marketing communications. Information technology is changing our world faster than at any time in history and the explosion of digital channels has transformed the way in which people understand and interact with our brands. The continuous evolution of the digital space presents challenges regarding access and measurement of advertising that are different from broadcast and print media. As we noted when launching the DGPs, implementing the standards is by nature subject to the technical feasibility and practicality provided by digital platforms and social media operators. We are determined to work together to set robust responsibility standards for digital marketing that reflect today's media landscape and reassure others that we direct our advertising only to those of-age adults who can lawfully buy our products.

Action 5: Involving those outside the industry in the self-regulatory process

"Over the next five years, we commit to taking steps to enable non-industry participation where none already exists in self-regulatory processes that enforce code standards, and will undertake to abide by the decisions made."

KPI 5a: Percentage of countries in which signatories are commercially active, and in which non-industry participation is established by signatories' actions in existing self-regulatory processes.

Non-industry participation established by signatories' actions in existing self-regulatory processes was reported in 47% of countries where signatories were commercially active in 2016. The number of countries where non-industry participation increased grew from 48 in 2015 to 52 in 2016, as we also collectively reported being commercially active in 10 more countries in 2016. As a result, the 47% statistic is one percentage point lower than the 48% we reported in 2015. Overall, our signatory companies' actions established non-industry participation in 88% of the 69 existing self-regulatory processes reported.

At 100%, North America was the region with the highest percentage among the countries in which non-industry participation has been established by signatories' actions in existing self-regulatory processes. At 77%, Europe was the region with the most improvement for this indicator since 2015 (up nearly three percentage points from 74%). Our performance in Asia and South and Central America improved by 2% and under 1% respectively.

Action 6: Making responsible marketing codes a contractual obligation

"We commit to include appropriate contractual language in our agreements with our advertising agencies, where practicable and legal, that will require them to abide by our responsible marketing and promotional codes for our products."

KPI 6a: Percentage of signatories' contracts with advertising agencies that include clauses for the agency to comply with the responsible alcohol advertising codes for signatories' products.

In 2016, 91% of our signatory companies' contracts with advertising agencies included clauses for the advertising agencies to comply with the responsible alcohol advertising codes for our products – an increase of 6 percentage points compared to 85% in 2015. Data for this indicator was reported by 11 companies in 2016, up from 10 in 2015.

Five of our 10 signatories who reported data for this indicator in both 2015 and 2016 achieved improvements in performance with an average increase of over 12 percentage points per signatory; three reported decreases and two reported no change.



Commitment 3

Providing consumer information & responsible product innovation

Product and packaging innovation provides choices to consumers, enables better use of environmental resources, improves product quality, and fosters competition. We are committed to responsible product innovation, and to ensuring that new products do not have particular appeal to people under the minimum legal drinking age (MLDA), claim any health benefits, stimulating effects, or appear to encourage excessive or irresponsible consumption.

There are public health concerns about excessive quantities of added stimulants, such as ingredients featured in energy drinks, the use of certain flavors, and certain types of packaging. This Commitment, therefore, focuses on our response. In 2013, we sought out the definition of “excessive quantities” and determined that our KPI would align with the level of caffeine considered safe for non-alcohol beverages by the United States Food and Drug Administration (FDA), which is 200 mg/l of caffeine. A copy of our research can be downloaded at the following web address: ProducersCommitments.org.

We want consumers to have access to full and accurate information about alcohol products to help them make informed choices about what and when to drink, or whether to drink at all – even if the risks of excessive drinking are commonly known. This is important to discourage underage drinking and drink driving, and is particularly significant for groups such as pregnant women. Overall, our aim is to ensure that information is consistent, clear, and accurate.

Action 7: Responsible product innovation

“We commit not to produce any beverage alcohol products that contain excessive amounts of added stimulants, such as caffeine, guarana, and taurine, and will not market any beverage alcohol product or promote any beverage alcohol combination as delivering energizing or stimulating effects.”

KPI 7a: Percentage of product ranges that do not contain excessive amounts of added stimulants.

KPI 7b: Percentage of signatories’ product brands that are marketed as delivering energizing or stimulating effects.

When developing new products and packaging, our internal processes are designed to take into account this commitment. For example, internal marketing and commercial policies, such as the Pernod Ricard Code for Commercial Communications, contain sections on product innovation which set out to codify these principles.

These two KPIs have shown a very high compliance rate over the first three years (nearly 100%), and changes in performance are therefore unlikely using the current monitoring methodology. We continue to monitor internally both product innovation and marketing; these KPIs were deemed outside of the scope of reporting for 2016.

Action 8: Providing consumer information

“We commit to develop in two years a set of easily understood symbols or equivalent words to discourage (1) drinking and driving, (2) consumption by those underage, and (3) consumption by pregnant women, to be applied globally (except where similar information is already legally required, prohibited, or already provided by voluntary agreements). Over the next five years these symbols or words in these three areas may appear individually or in combination on our packaging. To supplement those already in existence, we will also create a dedicated website with additional information, including alcohol product strength and reminders about the dangers of excessive drinking on health, with details of how to access the website on our packaging. We will invite contributions and comment from public health experts in developing the website content.”

KPI 8a: Percentage of brands carrying one or more of the symbols and/or equivalent words and the address of a website containing additional information, including alcohol product strength and reminders about the dangers to health of excessive drinking.

Our companies chose one of two ways to report results on this action: as a percentage of brands or a percentage of volume. For this reporting cycle, 10 of our 11 companies submitted results for KPI 8a or KPI 8b.

Eight companies elected to submit data under KPI 8a (versus KPI 8b), collectively reporting that 46% of their brands carried both symbols and/or equivalent words as well as the address of a dedicated website – an increase of 3 percentage points over 2015.

- Three signatories reported that more than 50% of their brands carried both one or more of the symbols and/or equivalent words as well as the address of a dedicated website, up from two signatories in 2015.
- Five signatories reported that more than 25% of their brands carried only symbols and/or equivalent words in 2016, compared to four in 2015.



KPI 8b: Percentage of volume of products manufactured carrying one or more of the symbols and/or equivalent words, and the address of a website containing additional information, including alcohol product strength and reminders about the dangers of excessive drinking on health.

For this reporting cycle, 10 of our 11 companies submitted results for this indicator and two elected to report under KPI 8b (versus KPI 8a). In 2016, over 10% of the two signatories' volume of products manufactured carried both one or more of the symbols and/or equivalent words as well as the address of a dedicated website, indicating an 11% decrease since 2015. This result is largely attributed to one signatory reporting low performance within the context of a high volume of products.

- One signatory reported that 44% of the total volume of products manufactured carried both the symbols and/or equivalent words as well as the address of a dedicated website, compared to 22% in 2015.
- For both signatories reporting on KPI 8b, 83% of the volume of products manufactured carried only one or more of the symbols and/or equivalent words in 2016, compared to 55% (reported by three signatories) in 2015.



Commitment 4

Reducing drinking and driving

Action 9: Reducing drinking and driving

“At the end of 2014, we commit to assessing these pilots [China, Colombia, Mexico, Nigeria, Russia, and Vietnam] and deciding which are successful and locally sustainable. We also undertake to replicate those which prove to be successful in up to six additional countries, covering all continents, and focusing on the developing world, in the next five years.”

KPI 9a: Number of countries in which selected drinking and driving prevention pilots are rolled out.

In 2016, seven pilots were conducted in Cambodia, the Dominican Republic, Mexico, Namibia, Russia, South Africa, and Thailand. More detailed information about this work can be found in the 2016 Drink Driving Initiative Summary Reports.

Cambodia

In 2016, IARD continued to work closely with the government of Cambodia, traffic police, the Cambodian Red Cross (CRC), and other concerned stakeholders from civil society and the private sector to raise awareness about the new road traffic law. Eighty-two drink driving training sessions were held in eight different cities and provinces, benefiting 135 traffic police, 4,815 students, and 1,072 other members of the community. Our work in Cambodia included high-visibility campaigns during festive seasons. Five awareness-raising campaigns were organized with over 1,260 supporters representing non-governmental organizations, the government, and the private sector joined the campaigns, reaching 23,200 road users.

Dominican Republic

IARD convened 24 stakeholders interested in road safety issues who had not previously worked together. We partnered with a wide range of stakeholders including government offices, producers, NGOs, charitable foundations, and radio stations. IARD representatives in the country engaged in discussions with local stakeholders and worked closely with partners and allies to establish an evidence-based drink driving prevention program. We supported the establishment of a maximum legal blood alcohol concentration (BAC) limit for drivers and proposed a well-proven strategy to enforce drink driving legislation: high-visibility sobriety checkpoints.

Mexico

IARD has worked on drink driving in Mexico since 2010. Our pilot program in Mexico is an example of sustainability.

2016 was an important year for IARD and FISAC’s signature program in Mexico, “Towards Zero Deaths from Drinking and Driving” as the program transitioned to local stakeholders, with sponsorship from wine and spirits producers in Mexico. Based on the effectiveness of producers’ efforts to prevent or reduce drink driving, the National Commission Against Addictions (CONADIC) has taken this program as a model and scaled it up nationwide, with promising results. There has been a 25% increase in sobriety checkpoints and, more importantly, an 18% decrease in alcohol-related traffic crashes nationwide. FISAC implemented its Towards Zero Deaths from Drinking and Driving program in 14 new states, and offered refresher courses in seven additional states.

Namibia

IARD and the Namibian Self-Regulating Alcohol Industry Forum (SAIF) launched an ambitious collaboration to reduce drink driving in Namibia by supporting national advocacy and training efforts to reintroduce the use of breathalyzers in Namibia; supporting the Namibian traffic police in conducting random breath testing (RBT) checkpoints; and increasing knowledge and awareness among the general population about the risks of drink driving through the “Public Dialogue Program”.

The Namibian Standards Institution approved the evidential Breathalyzer in Spring 2016, and SAIF trained a group of master trainers in using this BAC measuring device. SAIF organized nine talks in secondary schools, four talks at training institutions, and six talks at local businesses, reaching more than 7,000 people. The “Public Dialogue Program” has a strong social media presence. According to social-media research company Socialbakers, the page is the biggest community and fastest-growing online page in Namibia.

Russia

2016 was an important year for IARD in Russia, as it was the first year during which local partners funded and led the implementation of the Avtotrezvost program, developed by IARD in 2014. Avtotrezvost is a 90-minute interactive lesson on drink driving that complements the standard curriculum on traffic regulations used in Russia’s driving schools. It was initially launched in 2014 in eight driving schools in the Smolensk region. Since its launch, Avtotrezvost has received widespread praise from the federal government and from other stakeholders at the regional level. The Department of Information Policy of the Ulyanovsk region awarded Avtotrezvost the title of best non-commercial public education program of the year at the 10th Regional Public Relations Summit in Ulyanovsk. According to city authorities,



approximately 2,100 drivers were detained for drink driving during the campaign, which was implemented between January and June, the number of alcohol-related road traffic crashes decreased by 35%, the number of road crash fatalities decreased by 59%, and the number of road crash injuries decreased by 29%.

South Africa

In 2016, IARD and local organization Young Free and Educated (YFE) chose to focus efforts on raising awareness and increasing education. Thus, the 2016 program consisted of four types of activities: campus activation including a dialogue event and an information exposition; awareness-raising campaigns at police roadblocks; awareness-raising campaigns at filling stations; and media campaigns and social media engagement. YFE engaged South African celebrities to help disseminate and popularize the program’s key messages. In total, research suggests that more than 100,000 youth participated in or were reached by the YFE campaign messages. YFE’s activities were well-received by participating universities as well as by local and provincial government officials, who requested the YFE team to continue and expand its work.

Thailand

Since 2012, IARD has partnered with The Population and Community Development Association (PDA), Thai Asia Pacific Breweries (TAPB), and the Thai Foundation for Responsible Drinking (TFRD) to implement a multi-faceted drink drive

prevention campaign in Thailand during the Songkran period, called the “No Drink, Safe Drive” campaign. In 2016, the partners implemented the campaign in four provinces: Chiang Mai, Chiang Rai, Phayao, and Pitsanuloke.

KPI 9b: Number of drinking and driving prevention programs outside the pilots referenced in KPI 9a.

All 11 signatories reported drink driving prevention programs outside of those reported for KPI 9a, for a total of 331 programs across 88 countries. While there were 14 fewer programs than in 2015, the average number of programs per company increased slightly to 44 (from 43 in 2015). Largely due to the discontinuation of one company’s online program previously accessed from 58 countries, the total number of countries was 11 fewer than in 2015.

In 2016, 41% of all the drink driving prevention programs conducted by our companies were conducted in North America. The second-highest number of programs was in Europe (over 22%), followed by Asia (13%). The overall number of drink driving prevention programs in Europe has fallen from 124 program in 2015 to 74 in 2016; on the other hand the number of initiatives in North America increased from 74 in 2015 to 137 in 2016.



Commitment 5

Enlisting the support of retailers

Action 10: Responsible retailing

“We commit to invite leading international retailers with whom we have commercial relationships to join us in launching a responsible retailing initiative. The primary aim of the initiative will be to create ‘guiding principles of responsible beverage alcohol retailing,’ which will focus on identifying and cataloguing best-practice guidelines for responsible beverage alcohol retailing, including discouraging irresponsible price promotions, encouraging responsible point-of-sale marketing and promotion in retail establishments, appropriate retailer undertakings on responsible sale of our products, and other measures to reduce alcohol-related harm. The initiative will also encourage local responsible retailing initiatives to implement the guiding principles, focusing on measures to prevent underage drinking through, for example, proof-of-age requirements and the training of retail staff on how to identify, prevent, and manage intoxicated drinkers.”

KPI 10a: Guiding Principles for Responsible Retailing of Beverage Alcohol developed and published.

KPI 10b: Responsible retailing initiative launched in public forum.

These two KPIs have been achieved in prior years, and thus KPIs 10a and 10b were deemed outside of the scope of reporting for 2016.

The Guiding Principles for Responsible Retailing were developed between 2013 and 2015 with the support of retailers and subsequently launched in November 2015 at the World Retail Congress. A compendium of best practice examples of responsible retailing programs and resources is also available on the Producers Commitments website.

The Guiding Principles for Responsible Retailing of Beverage Alcohol

- Principle 1: Enforcement of minimum legal purchase age laws (LPAs) can contribute to the reduction of alcohol-related harm. Most countries have a minimum LPA, yet drinking by those under the minimum LPA remains a concern in many parts of the world, both for the underage consumer and society.
- Principle 2: Efforts to minimize binge or excessive drinking at retail environment can meaningfully contribute to reducing alcohol-related harm. To help ensure an enjoyable experience for all, the environment itself should help promote moderation.

- Principle 3: Activities in the retail environment can promote road safety. In addition to reducing excessive or binge drinking, retailer activities can promote road safety objectives, particularly for on-premise retail establishments. Activities include training servers, designated driver programs, and alternative safe transport options and information.
- Principle 4: Characteristics of the drinking environment can promote responsibility and minimize harm. Well-managed retail outlets can help to reduce alcohol-related harm both inside and outside of the premises.

KPI 10c: Percentage of markets in which signatories are commercially active and in which local responsible retailing initiatives to support, comply with, and advance the guiding principles have been rolled out.

Local responsible retailing initiatives have been rolled out in 72 of the 110 (over 65%) countries where our signatory companies are now commercially active, compared to the 75% of 100 countries reported in 2015. A total of 233 local responsible retailing initiatives were reported in 2016, compared with 251 in 2015.

These initiatives can be in support of any and all of the four Guiding Principles. In 2016, 147 of these programs (63%) were in support of Principle 1, followed by 95 (41%) in support of Principle 2, 72 (30%) in support of Principle 3, and 85 (36%) in support of Principle 4. Overall, the reported initiatives supported an average of 1.7 principles, compared to 2.7 in 2015 – results that reflect a shift towards refining our programs to implement more targeted initiatives.

LOOKING AHEAD TO 2017

Our efforts in 2017 will build upon our long-standing efforts in the five action areas of the Producers' Commitments, and include actions we implement collectively along with our partners as well as the wide range of programs we implement as individual companies. The 2017 actions and priorities are set within the context of an expanding number of partnerships with industry associations, governments, NGOs, and retailers. We will continue to work with IARD as Secretariat, the World Federation of Advertisers, and other independent experts to expand the reach and impact of these Commitments.

Commitment 1: Reducing underage drinking

- Convene Caribbean regional workshop in collaboration with IARD Partnership Council members, regional intergovernmental organizations, and governments.

Commitment 2: Strengthening and expanding marketing codes of practice

- Finalize 70/30 compliance monitoring of digital media.
- Finalize Digital Guiding Principles compliance monitoring review.

Commitment 3: Providing consumer information & responsible product innovation

- As more of our brands update their packaging within the business cycle, we renew our commitment to continue rollout of symbols, or similar words, and website addresses on packaging by signatories.
- Review and update ResponsibleDrinking.org content.

Commitment 4: Reducing drinking and driving

- Support sustainability of drink drive pilot programs in Dominican Republic, Namibia, South Africa, and Cambodia. For example, local industry stakeholders are recognized as supporting drink driving prevention programs, including supporting the pilot programs within the national context beyond 2017.

Commitment 5: Enlisting the support of retailers to reduce harmful drinking

- Promote Principles in high-profile global or regional retailer events.
- Secure retailer endorsements which are promoted on the Producers' Commitments website.

APPENDIX 1

ABOUT THIS REPORT

Principles

We have sought to ensure that all the information given in this report is accurate, complete, and sufficiently detailed to allow readers to make a fair assessment of our performance in 2016. The report covers positive achievements as well as areas that require improvement or have taken longer than anticipated to achieve, bearing in mind that the Commitments cover a five-year period. Interim updates are available at the following web address: ProducersCommitments.org.

Signatory updates

In October 2016 Anheuser-Busch InBev (AB InBev) announced the completion of its combination with SABMiller. In the same period, AB InBev divested its share in some brands previously owned by SABMiller. This included the sale of the SABMiller share of MillerCoors to Molson Coors, which gives Molson Coors 100% ownership of MillerCoors and forms the United States business unit for Molson Coors. Similarly, AB InBev divested SABMiller's interest in the Peroni, Grolsch, and Meantime brands and associated businesses in Italy, the Netherlands, and the United Kingdom to Asahi Group Holdings. Furthermore, in October 2016, AB InBev completed the divestiture of SABMiller's equity interest in China Resources Snow Breweries Limited (CR Snow) to China Resources Beer (Holdings) Company Limited. Finally, in December 2016, it was announced that several brands then-owned by SABMiller, including Pilsner Urquell from the Czech Republic, Poland's Tyskie and Lech, Hungary's Dreher, and Romania's Ursus, were to be sold to Asahi Group Holdings; this divestiture was completed in 2017.

During the 2016 reporting cycle, AB InBev was able to report on 26 legacy SABMiller markets: Argentina, Australia, Botswana, Colombia, Ecuador, El Salvador, Ghana, Honduras, India, Kenya, Lesotho, Malawi, Mozambique, Namibia, Nigeria, Panama, Peru, South Africa, South Sudan, Spain, Swaziland, Tanzania, Uganda, Vietnam, Zambia, and Zimbabwe. Molson Coors was able to report on the MillerCoors activities in the United States. Although not reporting in 2016, Asahi Group Holdings will be responsible for reporting on markets in Europe where it is now commercially active in the 2017 Progress Report.

Trade organizations & social aspects organizations

We believe that collaboration is critical to success. The vast majority of our reported actions are carried out in partnership with industry colleagues and with stakeholders from civil society organizations, NGOs, governments, and the public health community. The data in this report captures not only the efforts of individual companies in the markets where they are commercially active, but also those led through the collective industry actions of IARD, trade associations, social aspects organizations (SAOs), and other third-party organizations and partners. In the context of the Commitments, an SAO is an organization specifically designed to promote responsible drinking and provide information to consumers and the general public. As with previous annual progress reports, IARD acted as a data collection hub for trade associations and SAOs worldwide. Data collected by IARD was reported to Accenture Strategy as part of the reporting and validation process.

More than 67 organizations from 46 countries contributed to this report and collaborate with signatories to collectively implement the Commitments.

Reporting and assurance

Our KPIs were initially developed with advice from Accenture Strategy. Following each annual reporting cycle, we seek Accenture's advice on improving the protocols and definitions associated with our KPIs to refine the consistency of reporting and minimize ambiguity. A summary of all the performance indicators, including definitions and scope of coverage, is available at the following web address: ProducersCommitments.org/about/compliance-kpi/.

We engaged KPMG Sustainability to review this report and provide limited assurance as outlined in their assurance report on page 65. The following indicators are in scope of the assurance of KPMG Sustainability for the 2016 Progress Report: 1a, 1b, 2a, 2b, 2c, 3b, 6a, 9a, 9b, and 10c. We will continue to seek to expand the scope of assurance in future reports. After a rigorous review process, and with the support of Accenture Strategy and KPMG, we are confident that this report creates a comprehensive picture of the range and scope of the local and global activities underway to deliver the Commitments and the overall progress made in 2016.

APPENDIX 2

INDEPENDENT ASSURANCE REPORT

To the readers of the IARD 2016 Commitments Report

Our conclusion

We have reviewed the information for the indicators 1a, 1b, 2a, 2b, 2c, 3b, 6a, 9a, 9b, and 10c (hereafter 'The Selected Indicators') as presented in the section 'Key Performance Indicator Review' in the IARD 2016 Progress Report (hereafter 'The Report') of the International Alliance for Responsible Drinking Inc. (hereafter 'IARD') based in Washington D.C., the United States of America.

Based on our review, nothing has come to our attention to indicate that The Selected Indicators are not presented, in all material respects, in accordance with the internally developed criteria as described in the section 'Appendix 1: About this Report' (page 63). The Report includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherently the actual future results may differ from these and are therefore uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in The Report.

Basis for our conclusion

We have performed our review on The Selected Indicators in accordance with Dutch law, including Dutch Standard 3000A: "Assurance Engagements other than Audits or Reviews of Historical Financial Information", which is aligned with the International Standard on Assurance Engagements (ISAE) 3000: "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

This review engagement is aimed to obtain limited assurance. Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of The Selected Indicators' below.

We are independent of the International Alliance for Responsible Drinking Inc. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the IARD Board of Directors for the Selected Indicators

The Board of Directors is responsible for the preparation of The Selected Indicators in accordance with the internally developed criteria as described in the section 'Appendix 1: About this Report' (page 63). The IARD Board of Directors is also responsible for such internal control as it determines is necessary to enable the preparation of the indicators that are free from material misstatement, whether due to fraud or error.

Our responsibilities for the review of The Selected Indicators

Our responsibility is to plan and perform the review assignment in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

A review is aimed to obtain a limited level of assurance. Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than a reasonable assurance engagement. The procedures performed consisted primarily of making inquiries and applying analytical procedures on The Selected Indicators. The level of assurance obtained in review engagements is therefore substantially less than the level of assurance obtained in an audit engagement.

We apply the 'Further Regulations on Quality Control Systems' ('Nadere voorschriften kwaliteitssystemen', NVKS) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the indicators. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our main procedures consisted of:

- Evaluating the appropriateness of the reporting criteria and its consistent application, including the evaluation of the reasonableness of management's estimates;
- Evaluating the design and implementation of the reporting systems and processes related to The Selected Indicators;
- Interviewing IARD Management responsible for the responsible drinking strategy and policy;
- Interviewing relevant staff and organisations responsible for providing the data related to The Selected Indicators, carrying out internal control procedures on the data and consolidating the data related to The Selected Indicators;
- Visits to three signatories and one social aspects organization to review the source data and the design and implementation of internal controls and validation procedures at local level;
- An analytical review of the data and trends submitted for consolidation at corporate level;
- Reviewing relevant data and evaluating internal and external documentation, based on limited sampling, to assess the accuracy of The Selected Indicators.

Amsterdam, 8 September 2017

KPMG Sustainability,
Part of KPMG Advisory N.V.
M.A.S. Boekhold-Miltenburg RA
Director

APPENDIX 3

ABOUT IARD

IARD is a Secretariat to the Producers' Commitments. The signatories to the Commitments have delegated specific tasks to IARD that require coordination at global level.

IARD focuses on:

- Encouraging industry collaboration
- Convening multi-stakeholder conversations to promote policy dialogue
- Promoting evidence-based policy actions with transparency

As Secretariat for the Producers' Commitments, IARD:

- Coordinates reporting on the Commitments with KPMG and Accenture Strategy.
- Manages pilot programs (particularly in drink driving).
- Coordinates with international partners (for example, World Federation of Advertisers). Commissions analysis of marketing compliance (for example with Ebiquity and EASA).
- Convenes experts (for example, researchers) and partners (for example, retailers).
- Conducts analysis on policy and programs and produces policy tools and good practice guides.

Feedback

We welcome your feedback.

Please contact us at:

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