



GLOBAL STANDARDS FOR ONLINE ALCOHOL SALE AND DELIVERY

Raising standards in alcohol e-commerce to prevent sale to those underage and harmful drinking



The **International Alliance for Responsible Drinking** (IARD) is a not-for-profit organization dedicated to addressing harmful drinking worldwide and promoting understanding of responsible drinking, among those who choose to drink. IARD is supported by its member companies from all sectors of the regulated alcohol industry – beer, wine, and spirits – in their common purpose of being part of the solution to reducing the harmful use of alcohol.

IARD's member companies are commercially active in more than 100 countries. They contribute to sustainable growth and embrace a whole-of-society approach to improving health. They are determined to make a real difference and acknowledge that the development and implementation of programs will be more effective as part of a multi-stakeholder approach, coordinated with the work of WHO and other UN agencies.



From IARD's CEO Chair



The global COVID-19 pandemic has caused a dramatic shift in the way people shop, with consumers increasingly choosing to buy goods online. Within the alcohol e-commerce sector, there are already responsibility practices and different business models in place – but now with the growth in online sales and alcohol deliveries rapidly accelerating, it is urgent that we build and leverage robust responsibility standards across the world and throughout the entire supply chain.

That is why, in January 2021, IARD's member companies – the world's leading beer, wine, and spirits producers – announced a groundbreaking partnership with prominent global and regional online retailers, and e-commerce and delivery platforms, who operate across six continents.

Together, we have agreed these new global safeguards, marking a world-first coalition to prevent the online sale and delivery of alcohol to those underage and to reduce harmful drinking among adults. Our safeguards recognize the interconnectedness between online retailers, e-commerce platforms, and delivery platforms and accordingly establish global standards of responsibility for alcohol e-commerce across the entire length of the supply chain – starting from the moment a consumer begins the purchase process, travelling all the way through to the end, when a delivery is only made to an appropriate recipient.

Our partnership will build on the many strong safeguards already in place, working together throughout the supply chain to achieve higher standards of responsible e-commerce //

This work is part of our wider efforts to combat underage drinking by preventing sales to minors, and to reduce harmful drinking – it also speaks directly to the United Nations' 2018 Political declaration on non-communicable diseases, which calls for concrete steps towards eliminating the marketing, advertising, and sale of alcohol products to minors.

We are stewards of some of the world's best-known brands. Among our many shared values, we are determined to both set and achieve the highest standards of responsible business practices. By coming together in this unique partnership, we can leverage efforts to prevent the sale of and access to alcohol by minors, intoxicated people, and individuals prohibited by national or local law from buying alcohol.

E-commerce also presents many opportunities to further combat the harmful use of alcohol – it is a direct channel for us to provide consumers with information on harmful drinking, and for them to engage with our brands in a responsible way.

Our partnership will build on the many strong safeguards already in place – we will raise standards across the board and demonstrate best practice with organizations working together throughout the supply chain. The safeguards in this document will guide us to achieve these higher standards of responsible e-commerce and are therefore necessarily high level; we encourage organizations to work locally to develop codes for the online sale and delivery of alcohol that build on local and national regulations.

We hope this document will provide a valuable resource for new and emerging players in the e-commerce ecosystem – and we invite you to join us in this landmark collaboration to raise global standards.

Albert Baladi
President and CEO Beam Suntory

Introduction and Key Insights

Technology has transformed the way in which people interact with and buy their beer, wine, and spirits. Although e-commerce was already a growing channel for alcohol beverages before 2020, the COVID-19 global pandemic universally accelerated this trend and online sales of alcohol are forecast to grow by over 74% by 2024 in 20 key markets as consumers become more accustomed to buying their favorite drinks online.

The digital space also provides new and evolving opportunities for putting in place greater safeguards to prevent harmful drinking through better customer insight, data, and technology. Our partnership of the leading beer, wine, and spirits producers, online retailers, and e-commerce and delivery platforms recognizes the need to effectively deploy technological solutions that support consumers' increasing demands for greater convenience with standards that prevent harmful drinking. The standards set out in the document will necessarily continue to evolve as new technologies inevitably develop.

The e-commerce ecosystem encompasses a diverse range of operating models, as the members of this partnership demonstrate. To reflect these differences, the safeguards recognize the different types of players involved in the value chain and the applicability of an individual standard will vary for each business. However, all partners are united in recognizing the interconnectedness between actors and support the promotion of these safeguards across the value chain, specifically ensuring that last mile drivers feel supported when making or refusing a delivery.

The standards set out on the following pages seek to inspire companies to incorporate them into their own business models, according to their circumstances. They also provide a basis for local codes that can build on local laws and national context. To support businesses, we have set out a range of examples to show standards in action, demonstrating the different ways measures have been pioneered in diverse business models.

The safeguards on the following pages confirm the direction of travel for our partnership and we encourage others to join us in embracing these first-ever global standards for the responsible online sale and delivery of alcohol.

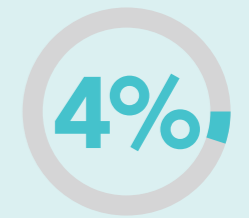
E-commerce models

E-commerce refers to the buying and selling of goods online. There is a wide variety of players in the e-commerce ecosystem that are made up of a diverse range of business models. These include:

- **Omnichannel:** retailers who integrate e-commerce with other methods of shopping, such as physical stores; this includes home-delivery and click-and-collect services providing the payment happens online
- **Online specialists:** retailers with a predominantly online presence
- **Marketplaces:** platforms that facilitate selling by third-party vendors, with operations managed by the company that owns the platform
- **On Demand:** platforms that facilitate the relationship between a retailer and consumer by enabling online payment and delivery; the platform does not hold stock or have warehouses that store product
- **D2C (Direct-to-consumer):** platforms that are owned by producers, selling, and arranging delivery of their products directly to consumers

Globally, e-commerce alcohol sales volumes **GREW BY 33%** in 2020, while total alcohol sales volumes **FELL BY 6%**

E-commerce alcohol sales volumes in 2020 represented



of off-trade sales

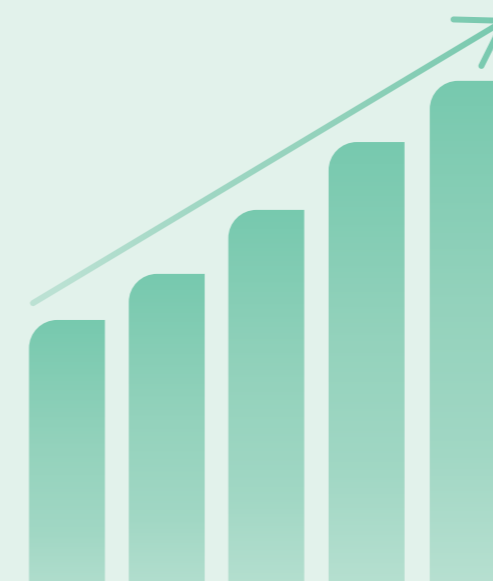
Source: Euromonitor Alcoholic Drinks Passport 2021



E-commerce alcohol **VALUE GROWTH** between 2015 and 2020 was **120%** and total sales in 2020 were **\$36.8bn**



Source: Euromonitor Alcoholic Drinks Passport 2021



Across **20** key markets, the value of e-commerce alcohol sales is forecast to **GROW BY 74%** between 2020 and 2024

Source: IWSR Drinks Market Analysis

Verifying sales to those over legal purchase age

- Putting policies in place that recognize customers must be over the legal purchase age (LPA) to buy alcohol and messaging for consumers that they are buying an age-restricted product
- Effective procedures in place to verify that consumers are over the legal purchase age during the customer journey



Standards in action



India's HipBar uses digital identity verification to help ensure sales are only made to customers over the legal purchase age. As part of the sign-up process, the customer uses their phone camera to scan their ID and complete a short video capture of their face; the age data extracted from the ID is digitally converted and systematically recorded. At the time of first delivery, a physical face-match check is performed to ensure that the supplied ID and video capture corresponds to the person receiving the delivery. Once verified, the agent need only check the recipient's ID at subsequent deliveries.



Jumia is the leading e-commerce platform in Africa and has age-gating procedures in place for alcohol beverage purchases on its website and its smartphone app. This requires consumers to confirm that they are of legal purchase age at the beginning of the customer journey.

These measures are also reinforced at the point of delivery, where the driver will ask to see the recipient's ID if there is any doubt that recipients are over the legal age of purchase.



Mercado Libre is the most popular e-commerce site in Latin America. It uses digital identity verification to help ensure that only customers over the legal purchase age can buy alcohol.

During the registration process, new customers must first upload a picture of ID that confirms their age. Then, the customer must use their computer camera to capture an image of their face. This image is then checked against the supplied ID, to verify whether the customer can legally buy alcohol.

Preventing delivery to those underaged, intoxicated, or where prohibited by law

Attended delivery:

Delivery to take place to those over LPA and able to buy alcohol according to local legislation. Identification to be checked where the age of person is in question and delivery denied if this can't be produced. Drivers should not knowingly make delivery to people who are intoxicated*.

Unattended delivery:

No unattended delivery to take place on the same day unless safeguards are put in place to prevent delivery to minors, persons who are intoxicated, and those prohibited by law according to local context.

Safeguards put in place for non-same-day unattended delivery including:

- Checking LPA and legal eligibility according to local context at registration or point of sale
- Obtaining instructions from the customer on where to leave the delivery or with someone who can legally take receipt, with details to be passed to the delivery agent
- Offering to alert the customer directly when the delivery has been made, where feasible



Standards in action



Endeavour leverages technological advances to ensure its responsible sales and delivery processes are as robust as possible, to help prevent delivery to intoxicated or underage persons. This includes requiring the customer to enter their date of birth at point of ordering; the retailer can then alert the delivery driver if someone is aged under 25 years, instructing them to check ID at point of delivery. Drivers also receive reminders through their device on signs of intoxication and contextual training refreshers (for example, before end-of-school celebrations or key public holidays).



Grab operates transport, food delivery, and payment services across Southeast Asia, with differing guidelines for alcohol delivery for each territory as appropriate. For example, Malaysia's law only allows alcohol delivery to customers who are both aged over 21 years and non-Muslim. Therefore, Grab requires Malaysian merchants to pack alcohol in a separate bag to other items and to inform drivers if the delivery contains alcohol. Drivers are then encouraged to ask the customer to verify their identity should the driver suspect that they are either aged below 21 years, or are Muslim, or both.



Uber Eats has protocols in place to prevent the sale of alcohol to minors. The app guides the delivery person through customer ID verification and sobriety checks for compliant deliveries in accordance with local laws. At the point of delivery, a customer must present a valid ID so that the delivery person can verify that they are of the legal drinking age.

If the customer is deemed to be underage, intoxicated, or not at home, the app routes the delivery person back to the merchant and the delivery person is compensated for the return trip.

*Intoxication defined as physical or mental control markedly diminished by the effects of alcohol or drugs. (Merriam-Webster)

Training tools, information, and education of drivers

- Delivery platforms and retailers have in place training or educational tools, information, or other supporting mechanisms to empower frontline agents to deny delivery where necessary and not disincentivize them for doing this.
- Retailers contracting third-party delivery agents seek to select providers who operate in accordance with the first principle within this safeguard.



Using lessons from traditional sales environments to support delivery drivers

IARD members have been working with retailers and hospitality venues for many years to support safe drinking environments and to help reduce harmful drinking. With consumers increasingly preferring to buy online, the largest beer, wine, and spirits producers are determined to play their part in ensuring that delivery drivers are confident and comfortable when making delivery. Here are five top tips for drivers:

1. Know the law and your company’s policy on delivery.
2. When checking age, try to depersonalize the situation by explaining that you are following company policy.
3. Use your best judgement and watch the customers behavior – are they hiding their face? Are they acting nervously? Do they appear intoxicated?
4. Only hand over the alcohol if you are satisfied that delivery should take place.
5. When refusing delivery, stay calm and follow company policy. Report the incident to your manager or to the appropriate e-commerce or delivery platform.

Standards in action



Coles Liquor is a national retailer with over 920 liquor stores across Australia. It uses inbuilt systems and technology to exclude certain locations by post code or area code to ensure alcohol is not delivered to areas prohibited by law such as “dry communities”.

In addition, it also ensures drivers have regard to the “safe drop” principles so alcohol is not left unattended in certain locations such as near a school or any other sensitive premises that might be considered to be a risk.



Cornershop by Uber is a platform that allows customers to order groceries for delivery, currently available in the United States, Brazil, Canada, Chile, Colombia, Costa Rica, Mexico, and Peru. Shoppers (contractors who purchase and deliver orders) that meet the minimum age requirements under local law must opt in to purchase and deliver orders containing alcohol products; they are then given additional educational information before they can accept orders that contain alcohol. Shoppers who do not meet the minimum age requirements cannot purchase or deliver any alcohol products.



In the United States, Drizly has partnered with Anheuser-Busch and Training for Intervention ProcedureS (TIPS) to promote responsible delivery of alcohol amongst retailers and their customers. This includes offering delivery drivers strategies and guidelines to protect against sales to minors and people who are intoxicated. The partners have developed a toolkit that outlines responsible delivery best practices and training fundamentals, including how to best handle situations where delivery must be refused.



In Spain, Glovo has collaboration agreements in place with the National Police and the Madrid Municipal Police to help drivers deny delivery, where appropriate. If a delivery driver suspects that a customer has misused Glovo’s app to make an illegal purchase, or should the driver encounter some other situation where they require extra assistance, they can directly report this to the police through a dedicated resource. The police will then attend to assist and to verify the order.

Glovo is working to expand this type of collaboration in further cities and countries.



India’s Hipbar encourages its delivery agents to flag “exception customers” when they encounter problems. This includes people who are found to be under the legal drinking age when ID checks are performed, people who are intoxicated at the time of delivery, or people that are abusive or aggressive towards the driver.

These “exception customers” are automatically denied access to Hipbar’s delivery services. This can only be reversed by a case-by-case review, which is conducted by a senior executive.



Operating across the United States, Minibar Delivery has safeguards in place to disincentivize persons aged under 21 years from ordering alcohol. At time of delivery, Minibar’s partners’ delivery agents will ask for age-verifying ID; if the person receiving the delivery is not aged 21 years or older, and there is not someone aged 21 years or older present in the household, then the driver will return the order to the store. The consumer will be charged a restocking fee for the inconvenience. This measure helps support the store partner in refusing delivery.

Enhancing consumer information and control

Consumer choice

- Specialist retailers, putting in place mechanisms that allow individuals to self-exclude from alcohol marketing and from purchasing alcohol beverages
- Other retailers and platforms develop online self-exclusion mechanisms for alcohol marketing as technology and business models allow.

Consumer information

- To support reductions in harmful drinking, consumer messaging can be incorporated on platforms. This could include access to online resources or information, such as national drinking guidelines and messages warning against minors drinking alcohol, drinking during pregnancy, and driving while intoxicated.

Standards in action



To increase consumer control, HipBar's app has developed two new modes: "Diet Mode" and "Detox Mode". When the former is enabled, the customer can set restrictions on the quantity or value of products ordered, or number of transactions.

At any time, the consumer can revert to the app's standard mode or can restrict further by switching to "Detox Mode". This latter mode lets customers set a time limit during which they cannot purchase alcohol. Once set, the customer can only cancel this early via a 2-Step One Time Password (OTP) release system.



JD.com provides consumers with the flexibility and functionality to customize and control the alcohol marketing messages that they see on its e-commerce platform. Consumers who do not wish to see alcohol marketing can simply click an "X" that is displayed next to the products. JD's recommendation engine uses artificial intelligence (AI) to determine which products will be promoted to customers and therefore can quickly learn consumers' preferences. After a short period of time, JD.com's platform will stop displaying alcohol-related product marketing to consumers who opt out of it.



Before a customer can purchase alcohol via the Uber Eats app, information is presented in-app that alerts the customer of the age restrictions and identification requirements consistent with local laws. This message is displayed when a customer selects an alcoholic beverage from the in-app menu and alerts the customer that they must be of legal purchasing age and must present a valid ID at the point of delivery. Uber Eats also gives customers the ability to self-exclude from seeing alcohol products by making a request through the in-app support function.



Monitoring

- Using ongoing monitoring mechanisms to ensure compliance with these standards.
- Putting in place feedback mechanisms for consumers.



Standards in action



Australia's Jimmy Brings alcohol delivery service, owned by Endeavour Group, uses artificial intelligence to increase innovation in responsible sales. Their system automatically pauses customer accounts that demonstrate risky ordering behaviors, using a complex algorithm that assesses criteria including the amount of standard drinks ordered and the number and frequency of those orders within a short period of time.

Endeavour Group monitors compliance with these processes through the use of mystery shoppers and uses the results to inform further actions where necessary.



Retail Drinks Australia's **Online Alcohol Sales and Delivery Code of Conduct** was developed in close collaboration with government and community stakeholders to enhance compliance in the responsible online sale and delivery of alcohol. This industry-wide framework applies to online retailers, marketplaces, and delivery agents. When deliveries cannot be completed because of responsible supply concerns, such as intoxication or invalid age-verification documentation, the retailer must record this for a minimum of 12 months through a specifically appointed responsible manager. Furthermore, all Code Signatories are independently audited to ensure objective compliance testing.

We encourage others to use these safeguards as the basis for local codes that can build on laws and context. For more information, please see our separate document: [Considerations for building local codes for online sale and delivery of alcohol](#).

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